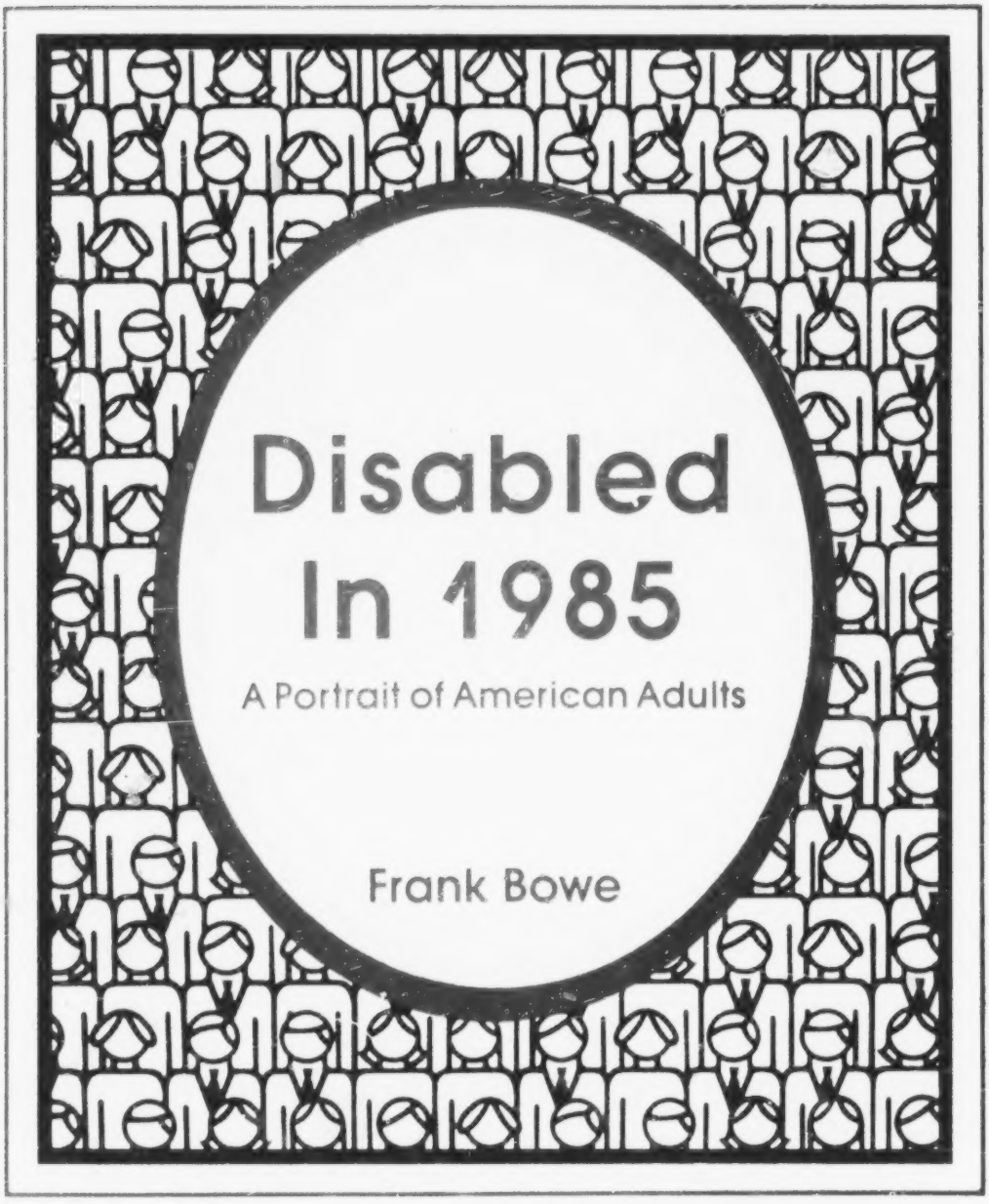


Disabled In 1985

A Portrait of American Adults

Frank Bowe

Arkansas Research and Training Center in Vocational Rehabilitation
University of Arkansas
Arkansas Rehabilitation Services

Published By:

**Arkansas Research & Training Center
in Vocational Rehabilitation**

Design & Production:

Media Materials Development & Dissemination Unit

The contents of this publication were developed under a research and training center grant (G0083C0010/03) from the National Institute of Handicapped Research, Office of Special Education and Rehabilitative Services, Department of Education, Washington, D.C. 20202. However, those contents do not necessarily represent the policy of that agency, and you should not assume endorsement by the Federal Government.

All programs administered by and services provided by the Arkansas Research and Training Center in Vocational Rehabilitation are rendered on a nondiscriminatory basis without regard to handicap, race, creed, color or national origin in compliance with the Rehabilitation Act of 1964. All applicants for program participation and/or services have a right to file complaints and to appeal according to regulations governing this principle.

Disabled in 1985:
A Portrait of American Adults

Frank Bowe

Arkansas Research and Training Center in Vocational Rehabilitation
University of Arkansas
Arkansas Rehabilitation Services

About the Author

Frank Bowe, Ph.D., L.L.D., is author of more than twenty five books about demography, economics, technology, public policy, and biography. He has served during the past decade as chief executive officer of two organizations, one in the private nonprofit, and one in the private for-profit sector. In addition, he is a trained research scientist, with six years of experience in universities, including as Visiting Professor, University of Arkansas, in 1983.

Frank was one of the first deaf adults to earn a Ph.D. at a major university, taking his doctorate in educational psychology (research) at New York University in 1976. Three years later, NYU granted him a Distinguished Alumni Achievement Award for his work as founding executive director of the American Coalition of Citizens with Disabilities (ACCD). He received an honorary doctor of laws degree form Gallaudet College ten years after taking his master's degree from its graduate school. His B.A., from Western Maryland College, was granted summa cum laude in 1969.

Early in 1986, TJ Publishers (817 Silver Spring Avenue, Silver Spring, MD 20910) released **Changing the Rules,** Frank's account of growing up deaf in small-town Pennsylvania during the early years of the baby-boom generation and of his subsequent career. The book includes the first-ever insider account of the "take over" of HEW offices nationwide by disabled demonstrators during the struggle for section 504, the "Bill of Rights for Disabled Americans".

Dr. Bowe, his wife of twelve years, Phyllis, and their daughters Doran and Whitney reside in Lawrence, New York, on Long Island's south shore. There, he reports, he is "finally" working on a long-delayed first novel.

Table of Contents

Foreword iv

Preface v

Size of the Population 1

Other Major Characteristics of the Population 2

I. Disabled Adults in 1985: An Introduction 3

II. The Theory of Thirds 12

In the Labor Force 14

Receiving Benefits 20

Neither on Payrolls Nor on Aidrolls 24

III. Severely Disabled Adults 26

In the Labor Force 32

Receiving Benefits 34

Neither on Payrolls Nor on Aidrolls 34

Summary 35

IV. Technical Notes 38

Foreword

The U.S. Bureau of the Census annually conducts a special March supplement to the highly respected "Current Population Survey" (CPS), in which it asks disability-related questions. The results are highly valid and reliable. They are also very current.

In this publication, Dr. Frank Bowe reports upon the 1985 CPS. He also includes some information from earlier CPS studies, for purposes of placing the new figures into context. Dr. Bowe wrote **Demography and Disability** (1983) and **US Census and Disabled Adults** (1984) for our Center. The former reports upon 1981 and 1982 CPS data, while the latter offers state-by-state findings from the 1980 Census. These two books, like "Disabled in 1985", may be ordered from the R&T Center, P.O. Box 1358, Hot Springs Rehabilitation Center, Hot Springs, AR 71901; 501-624-4411.

The Arkansas Research and Training Center in Vocational Rehabilitation (RT-13) is very pleased to be able to make this book available to the nation. As a federally funded center specializing in the area of employment for persons with disabilities, we need the best and most current data about employment patterns among disabled adults for our own research and training programs. The professionals in rehabilitation—state agency directors, facility administrators, university professors, counselors, private practitioners, and others—who constitute our major constituency groups tell us that they, too, find CPS data invaluable in planning services and programs.

"Disabled in 1985" is certain to excite their interest.

A few technical notes are important to keep in mind as you read. The data in this book are about **"working age"** persons, that is, people who were between the ages of 16 and 64 in March, 1985. The CPS did not survey institutional residents; accordingly, the figures in this publication concern noninstitutionalized individuals. The term "disabled" refers to people who reported a health problem which prevented them from working or which limited the amount or kind of work they could do, who did not work in the reference week because of a long-term disability which prevents performance of any kind of work, who did not work at all in the preceding year because they were ill or disabled, who had a service-connected disability, who ever retired or left a job because of health reasons, who were under age 65 and covered by Medicare, or who were under age 65 and received SSI.

For readers interested in helping disabled adults find more and better jobs, the Center offers Dr. Bowe's **Employment Trends, 1984 and Beyond: Where the Jobs Will Be** (1984) and **The Business-Rehabilitation Partnership** (1984), by Frank Bowe and Jay Rochlin.

The Arkansas Rehabilitation Research and Training Center continues its five-year program of work under a cooperative agreement with the US National Institute of Handicapped Research. We welcome your inquiries, which may be directed to our offices at 346 N. West Avenue Annex, Fayetteville, Arkansas 72701.

Vernon L. Glenn
Director

Preface

When E. Russell Baxter, Commissioner, Arkansas Rehabilitation Services, and Vernon L. Glenn, Director, Arkansas Rehabilitation Research & Training Center in Vocational Rehabilitation, asked me to write "Disabled in 1985" I accepted with alacrity and with a sense of excitement.

These data are the most current now available: they come from the March 1985 Current Population Survey, conducted by the US Bureau of the Census. For professionals in rehabilitation, special education and other fields serving disabled people; for legislators and regulation writers; for parents of disabled individuals; and, perhaps most important, for disabled people themselves, these figures help us see how disabled Americans are doing in mid-decade. That's critical: we cannot move forward until we understand where we are.

Equally important, for the first time we are able to compare three groups within the adult disabled population:

those in the labor force (working or actively seeking work),

those receiving government benefits, such as SSDI or SSI,

and those on neither payrolls nor aid rolls.

How does each group differ from the others? Are disabled people who participate in the labor force significantly different from those who don't? What is happening to people who have neither paychecks nor aid checks to help them survive?

And we are able to look at the same three groupings, asking only about "severely disabled" individuals. For rehabilitation, the availability of national data on severely disabled individuals is very important because it enables us to compare those we serve to our priority target population. The 1973 Rehabilitation Act, as amended, mandates that rehabilitation serve first those who are severely disabled.

There has also been considerable debate among economists as to whether people are more likely to say they are disabled during a recession than they are in a growing job market. "Disabled in 1985" offers the first report on how the population of adults reporting disability varied in the 1981-1985 period, which included pre-recession, recession, and post-recession years. We have actual numbers to use in beginning to resolve this increasingly acrimonious debate.

"Disabled in 1985" contains other new information. Perhaps most surprising are the data on veteran status. A remarkable 48% of disabled males aged 16 to 64 in 1985 were veterans. While not all of these three million men became disabled in service to their country—the usual estimate is that two million men are war-disabled—the fact that so many disabled adults are veterans offers yet another reason for close cooperation between groups serving disabled veterans, such as Disabled American Veterans and Paralyzed Veterans of America, on the one hand, and advocacy organizations for disabled civilians, on the other. It also argues strongly for more closely coordinated service delivery, and equal opportunity, for disabled veterans and non-veterans alike.

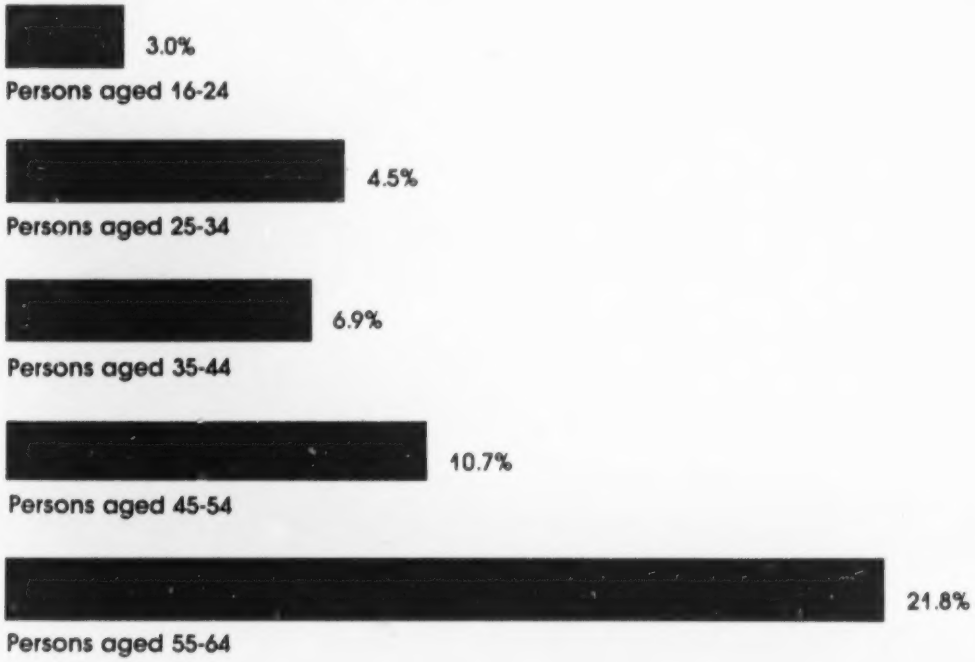
John M. McNeil, of the population division at the Census Bureau, has my deep gratitude for providing me with the data upon which this publication is based. Jack also supplied the raw figures for **Demography and Disability** and for **US Census and Disabled Adults**, two earlier chartbooks published by the R&T Center.

Size of the Population

All Persons, 16-64	**151,769,000**
Disabled Persons, 16-64	**12,289,000 (8.1%)**
White	9,857,000
Black	2,175,000
Hispanic	863,000

The rate of disability among whites is 7.6%, that among blacks 12.5%, and that among persons of Hispanic origin 8.1%. Looking at the same numbers from a different perspective, we find that of all disabled working-age persons, 80.2% are white, as opposed to 85% of all 16-64 individuals. By contrast, 17.7% of all disabled 16-64 persons are black, as against just 11.5% of all working-age individuals. Seven percent of all disabled 16-64 year-olds are of Hispanic origin, the same proportion as occurs in the general population. That is, the disabled population has a greater proportion of blacks among its members than does the general population.

The rate of disability in the general population also varies by age. About one American of working age in every twelve (8.1%) has a work disability. The rate varies very sharply by age, however. It is highest among persons 45-64, of whom 16.3%, or one in every six is disabled. Put differently, 59%, or six-tenths, of disabled working-age adults are between the ages of 45 and 64.



Source: March 1985 Current Population Survey

Other Major Characteristics of the Population

1. **Veteran Status.** Of America's 6,317,000 disabled males of working age, 3,015,000, or 47.7% were veterans; in fact, of the entire 12,289,000 disabled 16-64 population, one-fourth, or 24.5%, were veterans. Most (42.5%) were veterans of World War II, while 25.4% were Vietnam-era veterans, 19.3% were veterans of the Korean Conflict, and 12.8% were veterans of World War I and other wars. All but a very few under-65 disabled respondents reporting veteran status were male, but not all are war-disabled.

2. **Poverty.** Fully 27.4% of all disabled working-age persons had income from all sources that was under the poverty level; that is, more than one-fourth of disabled 16-64 persons were poor in March, 1985. They represented 18.4% of all working-age Americans living in poverty. Disabled women were especially likely to be poor: 31.6% of all disabled 16-64 women had incomes under the poverty level. These poor disabled women comprised 17.6% of all poor women aged 16-64. Among males, 23.5% of disabled 16-64 year-olds were poor; they represented nearly one in every five (19.5%) poor men in America.

3. **Social Security Income.** Everyone in the March 1985 CPS was under age 65, for which reason almost all were ineligible for retirement benefits. Still, fully 31% of disabled 16-64 year-olds reported receiving Social Security income, usually SSDI or SSI. Among disabled males, 32.4% received Social Security income, as against 29.5% of disabled females.

4. **Medicaid.** One disabled working-age person in every five (21%) was covered by Medicaid. Among males, 17% received Medicaid benefits; among females, the figure was 25.2%.

5. **Food Stamps.** A total of 2,600,000 disabled 16-64 year-olds received food stamps. That was 21% of all disabled persons in that age range. They represented 22% of all under-65 food-stamp recipients, or more than one in every five. Fully one-fourth of all disabled 16-64 year-old women (25%) got food stamps, while the proportion among disabled working-age males was 17.6%.

6. **Public Housing or Group Homes.** One-fifth (19.4%) of all public housing or group-home residents between 16 and 64 years of age were disabled. A total of 3.9% of all disabled working-age males and 6.1% of disabled working-age females lived in such homes.

7. **Families.** Almost four-fifths (79%) of all disabled working-age persons lived in families; the balance (21%) lived alone or with an unrelated individual. Of those living in families, 49% described themselves as "householder", while 28% said they were the spouse of the householder and 17.1% said they were children of the householder. In all, 39% of disabled working-age persons described themselves as householder.

I. Disabled Adults in 1985: An Introduction

The Current Population Survey found 12,289,000 Americans (between the ages of 16 and 64 and not in institutions) to be disabled in March, 1985. Who are these people—and what does the CPS tell us about them?

Slightly more than half (51.4%), 6,317,000 individuals, were male, while 5,972,000 were female. Disabled males represented 8.5% of all noninstitutionalized 16-64-year-old men in America; disabled females comprised 7.7% of all such women. Disability tends to occur more often among males than it does among females. This is a common finding. In our society, males tend to become more involved in physical activities, including manual work and sports, both of which may lead to disability; it is also true that some diseases strike boys more often than girls. Another factor is war: many disabled men are veterans of American conflicts.

The population of adults with disabilities is proportionally larger in the South than in the other three geographical regions of the United States. While 34% of all noninstitutionalized adults in America live in the South, the percentage among those who are disabled is 37%. Again, this is a common finding. There are several possible reasons for this phenomenon. First, poverty is more common among Southern States; disability is a frequent companion of poverty, both because people with disabilities often find it harder than do nondisabled persons to earn a good living and because people who are poor may receive less prompt and less adequate medical care for illnesses and accidents. Also, Southern males tend to volunteer for the armed forces somewhat more frequently than do young men from other regions of the country.

Of the 12,289,000 disabled adults in the 1985 CPS survey, 52% were married. That is lower than the 59% rate of marriage among all noninstitutionalized working-age adults. A total of 12.3% of disabled adults were divorced, as against 7.9% of all adults. This suggests that when disability occurs, it often places strain upon a union, whether because the disability makes it harder for an individual to make a living or because the stress of coping with the impairment adds tension to married life. Almost one disabled adult in ten (9.3%) is widowed, compared with a rate of just 2.6% among 16-64 adults overall. Here, we see an indicator to the age of the disabled adult population: disabled people tend to be older than are others of working age.

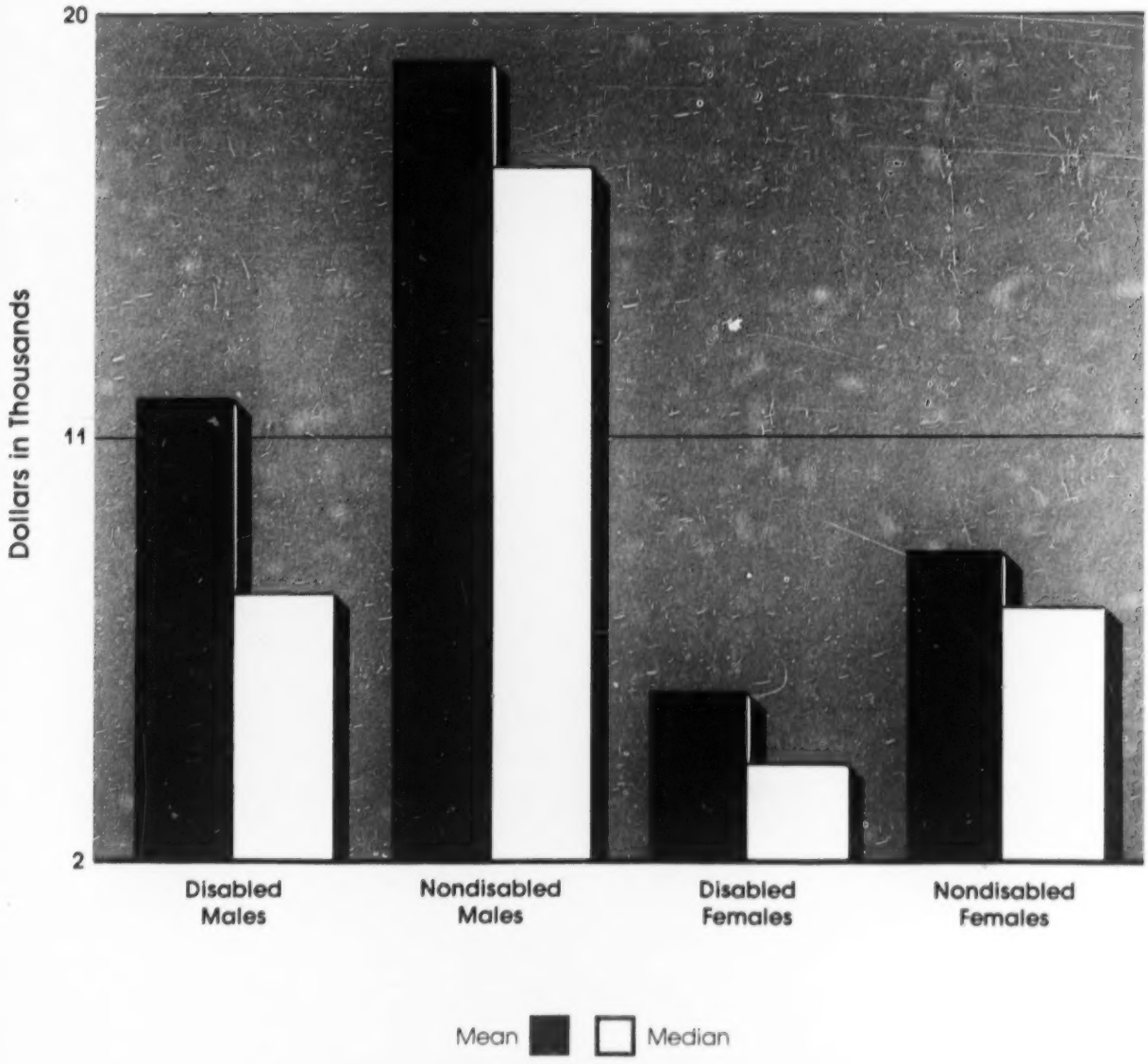
The average age of all 16-64 year-old disabled adults was 50 in March, 1985, as compared to 34 among nondisabled adults of working age. Indeed, almost six in every ten (59%) of all disabled adults between the ages of 16 and 64 are in the 45-64 age range. Once again, this is a common finding, one giving the lie to the popular myth that people with disabilities always have been disabled. In fact, the fact is that only one in every six disabled persons was born with a disability or became disabled in childhood.

People with disabilities tend to be poor. The median income of all disabled males of working age in March 1985 was $8,214.00, as compared to $17,069.00 for all 16-64 year-old males; that is, half of all disabled working age males had an income from all sources of under $8,214.00 and half had an income larger than that amount. If we imagine a "typical" 16-64 year-old male, this person had an income more than twice as large if he were not disabled as if he were disabled. Mean income, by contrast, is the arithmetic mean of all reported incomes. Disabled males had a mean income in 1984 of $11,877.00, as compared to a mean income of $19,408.00 for all males. The term "income" refers not only to salaries and wages but also to insurance payments, investment revenue. A total of 1,482,000 disabled working-age men, or 23.5% of all such males, had incomes from all sources that were under the poverty level.

Among females, the median income of those with disabilities was $4,316.00 as of March 1985, as compared to $7,378.00 for all working-age women. The average 16-64 year-old noninstitutionalized woman had an income 1.7 times larger than did the average disabled woman. Mean income was higher: disabled women had a mean income of $5,671.00 in 1984, as against a mean income of $8,782.00 for all women. A total of 1,885,000 disabled women

between the ages of 16 and 64, or 31.6% of all such disabled women, had an income from all sources that was below the poverty level; in other words, more than three in every ten working-age disabled women lived in poverty in March 1985. Figure 1 shows mean and median income for all working-age males and females and for disabled men and women.

Figure 1
Income in 1984



Source: Current Population Survey, 1985

While 77% of all 16-64 year-old noninstitutionalized adults in America worked in 1984, the proportion among disabled adults was just 35.5%. That is, slightly over one-third of American adults with disabilities worked full- or part-time, all or part year, during 1984, according to the March 1985 CPS. Disabled males were much more likely to work—2,626,000 or 41.6% worked in 1984; among disabled females, a total of 1,740,000 or 29.1%, worked at some point during the calendar year. These figures are particularly disturbing because all of these disabled individuals are in what we call the "working-age" years, that is, between the ages of 16 and 64. That just one-third of them worked at all during the preceding year is a powerful indication that something is very wrong with our nation's attempts to help disabled people become self-sufficient, self-supporting citizens. Figures 2 and 3 illustrate these data.

One frequently asked question about disabled young people is: Has PL 94-142, the Education of All Handicapped Children Act of 1975, made a difference in their educational attainment? It is difficult to answer this question with currently available data. What we can do is to compare the educational attainment levels of 16-24 year-olds who are and who are not disabled with respect to the number of years of schooling completed. The oldest such disabled individuals were ninth graders when PL 94-142 was enacted; while they may not have benefited much from the legislation, it may have had a greater impact upon the youngest persons in this age cohort, as these persons were in kindergarten or first grade when the Act was signed into law. Remember, however, that many 16-24 year-olds are still in school; this means that the education attainment data in the survey may understate the eventual achievement of these young people.

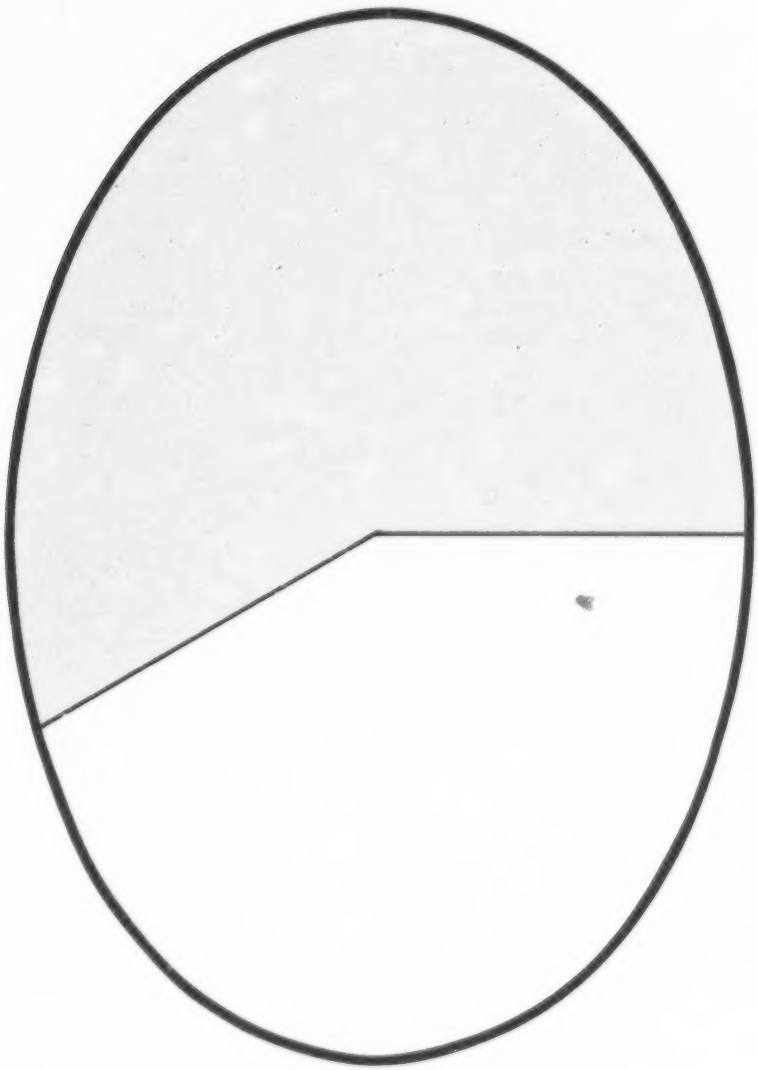
According to the March 1985 CPS, disabled youth account for fully 13.5% of all 16-24 year-olds who have completed fewer than eight years of schooling. They account for 5.5% of those young people with an eighth-grade level of education. However, they comprise just 3.1% of those with some high school, only 2.9% of high school graduates, merely 1.8% of those with some college, and a minuscule 1% of those who have a college education. To place these figures into context, consider that the rate of disability among persons aged 16-24 is 3%.

Disabled young people are most likely to be high school graduates (35.3%) or to have at least some high school education short of a diploma (34.7%). About one in every seven (13.4%) has some college and 1.9% are college graduates. By contrast, 9.4% have fewer than eight years of education and 5.5% have an eighth-grade education. Again, these figures may understate the eventual education of these persons because many are still in school; in particular, bear in mind that some states permit special education through age 21. Figure 4 illustrates these data.

Nondisabled persons between the ages of 16 and 24 are about as likely to be high school graduates (35.1%) and to have at least some high school (32.8%); both figures are slightly under those for disabled young people. However, nondisabled 16-24 year-olds are much more likely to have at least some college (21.7%) and to be college graduates (5.7%), and much less likely to have fewer than eight years of schooling (1.8%) or to have an eighth-grade education (2.9%). In other words, as far as these data can tell us, disabled young people are doing about as well as are their nondisabled peers if they make it into high school—but they are doing much less well about getting into high school, and particularly into college. Figure 5 illustrates the education attainment data for nondisabled 16-24 year-olds.

Figure 2

Worked in 1984: Disabled Males



Total 6,317,000

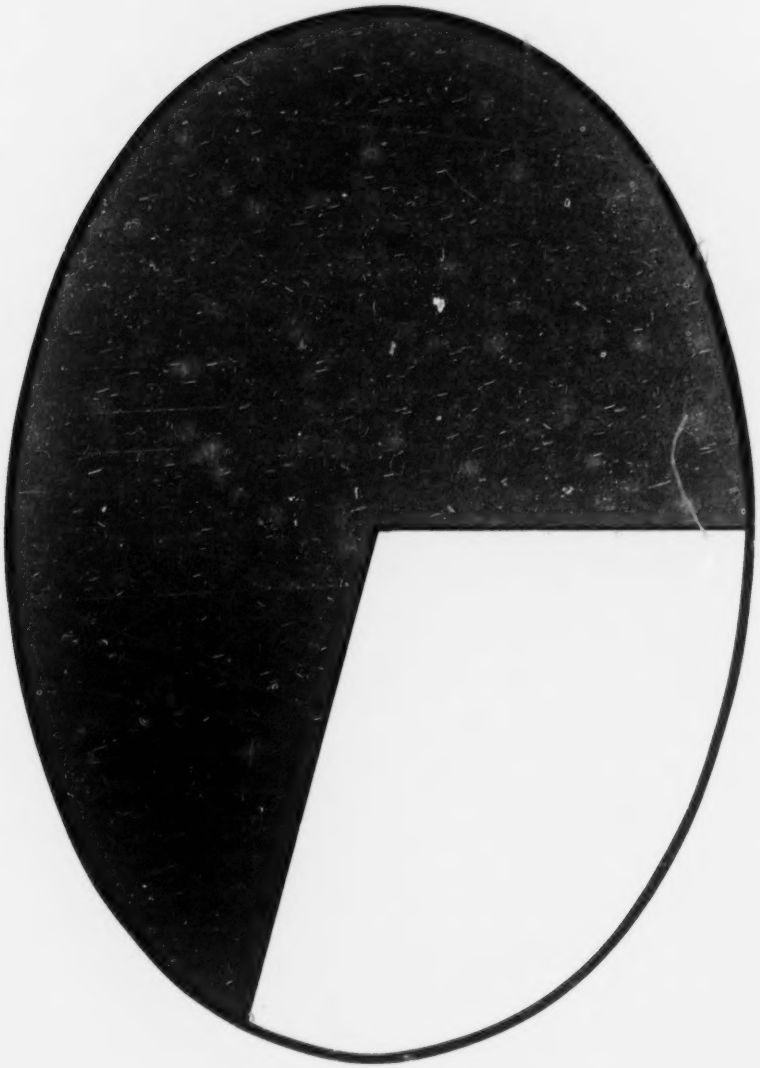
58.43% Did Not Work

41.57% Worked in 1984

Source: Current Population Survey, 1985

Figure 3

Worked in 1984: Disabled Females



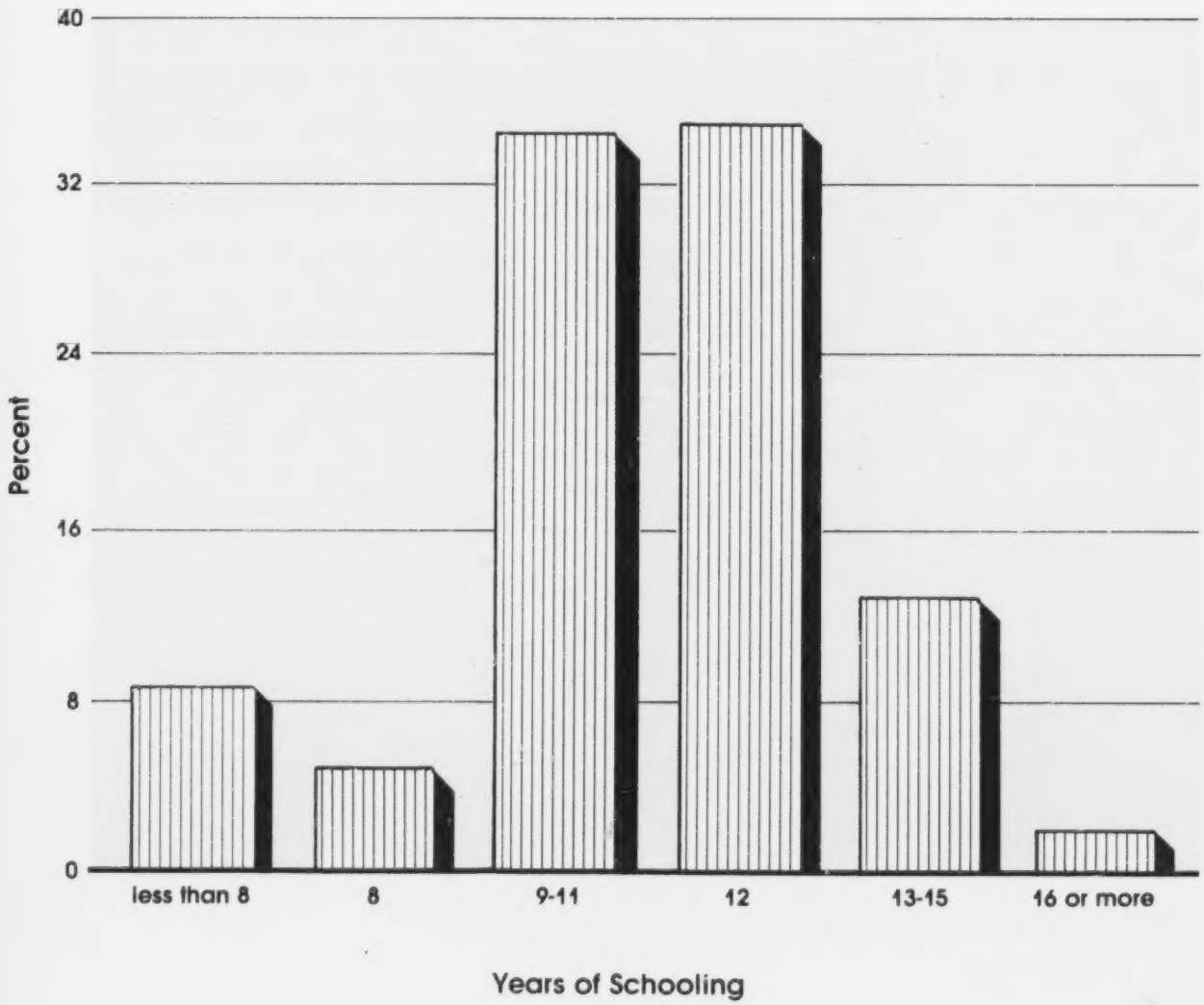
Total 5,972,000

70.86% Did Not Work

29.14% Worked in 1984

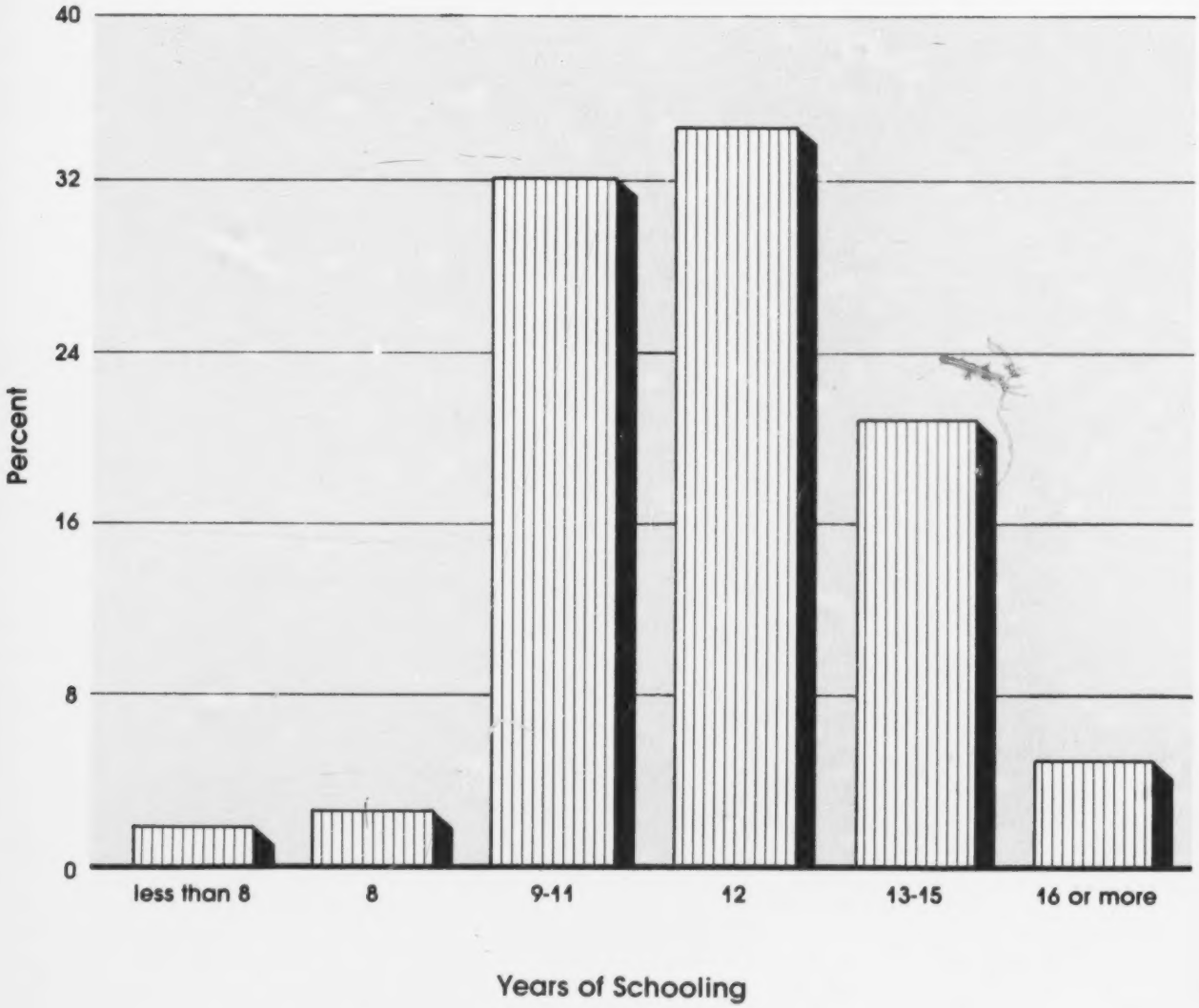
Source: Current Population Survey, 1985

Figure 4
Education: Disabled 16-24



Source: Current Population Survey, 1985

Figure 5
Education: Nondisabled 16-24



Source: Current Population Survey, 1985

What about older disabled individuals? How well-educated are they? It turns out the answer to this question is not simply stated. As compared to younger disabled persons—many if not most of whom were disabled while in school—older individuals may well have become disabled after leaving school. Our earlier caution that many young people are still in school, and eventually will attain higher levels of education than were reported to the Census Bureau during the 1985 CPS is also relevant here. The CPS data show that among persons aged 25-64 in March 1985, 8.3% have a college education or some graduate school, which is heartening. That's more than a four-fold increase over the proportion completing college among persons now aged 16-24. Older disabled persons, however, are less likely to have any high school education: 16.2% have fewer than eight years of schooling and another 9.2% have an eighth-grade education; thus, one in four disabled persons aged 25-64 has no high-school education at all. Figure 6 presents the data.

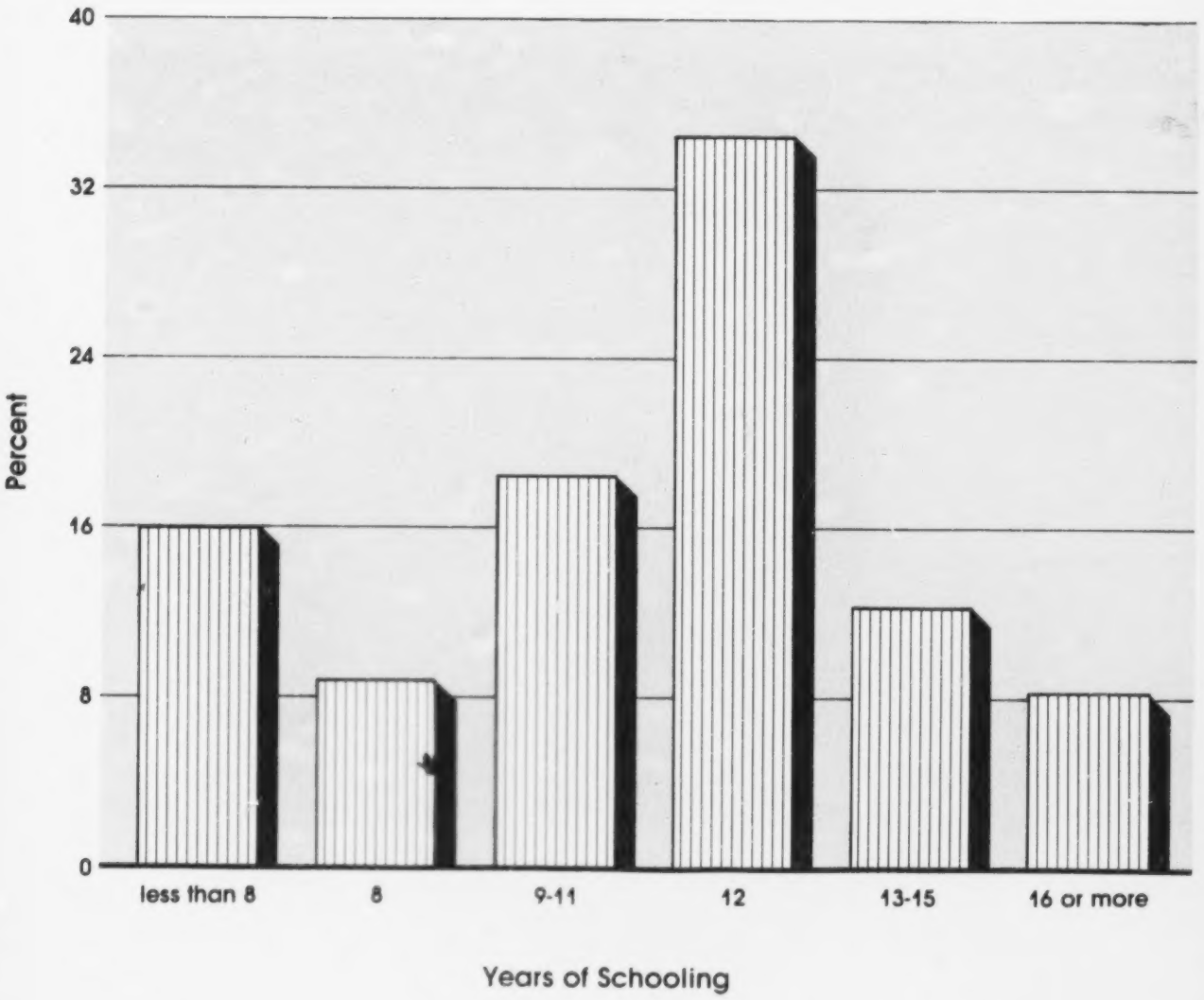
This chapter shows us how disabled people of working age are doing as of March, 1985. But the data offered here raise as many questions as they answer.

To understand disabled adults, we need to take the figures one step further: we need to look separately at three groups within the population. Our first group is comprised of those persons who are in the job force; that is, they are working or actively seeking work. Second, we want to know about disabled adults who are eligible for and receive some kind of government benefits; almost all of these persons are out of the labor force altogether. And third, we recognize that just as it is often difficult for disabled people to get jobs, so too is it hard to qualify for aid programs. Accordingly, many disabled individuals are neither on payrolls nor on aid rolls.

It is interesting that the adult disabled population positions itself about evenly into these three groups. That is, about one-third occupy each category.

To help us to understand the population—and to help us to predict how successful individuals may be in rehabilitation—we need to see how these thirds differ one from the others. It is to that task that we now turn.

Figure 6
Education: Disabled 25-64



Source: Current Population Survey, 1985

II. The Theory of Thirds

The population of 12,289,000 disabled persons between the ages of 16 and 64 divides itself fairly evenly into three segments:

In the Labor Force: working or actively seeking work;

Receiving Benefits: usually SSDI, SSI, Medicare, Medicaid;

Neither Pay Nor Aid: not in labor force and not on aid rolls

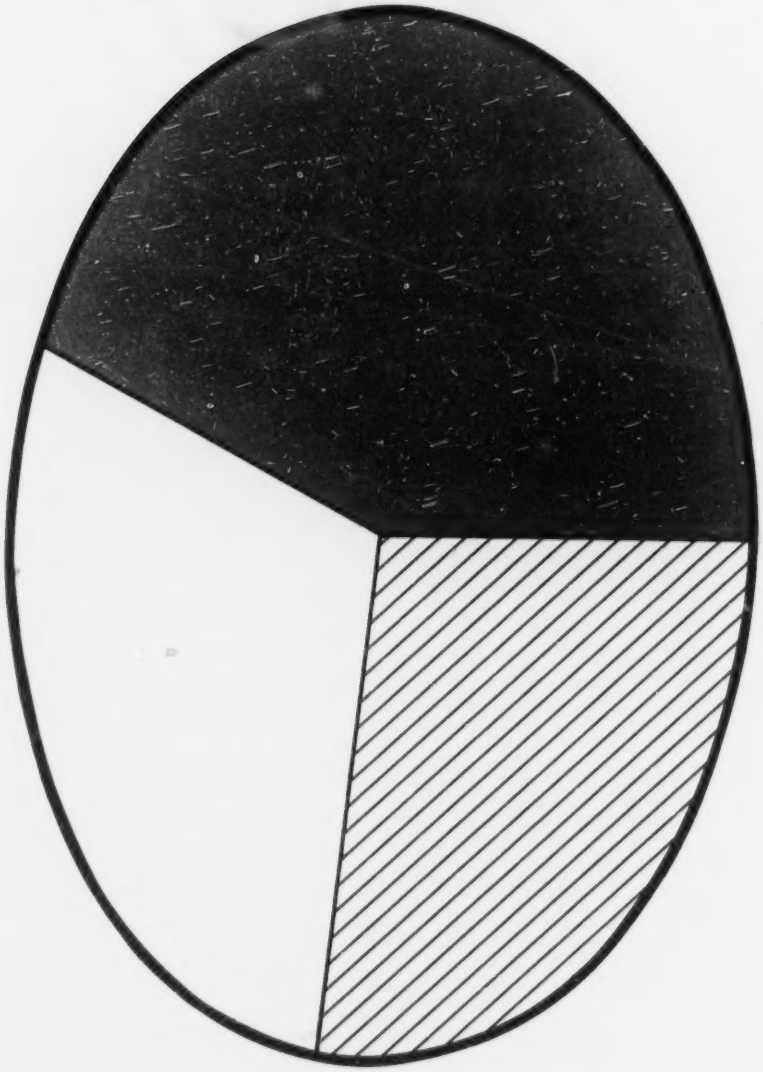
For the first time, we are able to tap into the highly accurate CPS data to understand the characteristics of disabled people in each of these segments. That's important. First, it helps us to understand these individuals better. For example, it may be that some of the extensive poverty among the adult disabled population is due largely to the fact that so many are not in the labor force; by contrast, the mean income of disabled adults may be lowered by the artifice that only one-third of these people are in the labor force. Second, the analysis may prove to have some predictive value: if we know what characteristics most correlate with labor-force participation, we may be able to predict which young people have the greatest chance of becoming self-supporting adults.

Individuals are said to be "in the labor force" if they were working, or actively seeking work, during the reference period (the week about which the census takers inquired). People are classified as "receiving benefits" if they were receiving Social Security, Supplemental Security Income, or some other retirement or disability income because of disability and were not in the labor force. And persons were classified as "neither on pay rolls nor on aid rolls" if they were not in the labor force and did not receive Social Security, SSI, or other retirement or disability benefits because of disability. Bear in mind that everyone in these categories is under the age of 65; some, however, may be receiving Social Security retirement benefits payable at age 62.

Among all 16-64 year-old disabled persons who were not in institutions, a total of 3,847,000 (31.3%) were "in the labor force"; 5,161,000 (42%) were "receiving benefits"; and 3,282,000 (26.7%) were "neither on pay rolls nor on aid rolls". The figures contain a slight discrepancy, as the total is 12,290,000 rather than 12,289,000; however, the percentages in each of the three categories are not affected by this rounding error. Figure 7 portrays the "theory of thirds" for the population of disabled working-age adults. Figures 8 and 9 show males and females who are disabled in the three categories.

Notice first, in Figure 7, that the three categories are not actually thirds; the proportion "receiving benefits" is really four in every ten while the percentage "neither on pay rolls nor on aid rolls" is one in every four. To some extent, this division reflects the large number of disabled males who are veterans; recall that 3,015,000 disabled men are veterans, many of whom receive Veterans Administration benefits. This is more clearly shown in Figure 8, where we see that 44.3% of disabled males of working age are "receiving benefits". That proportion is quite unexpected unless one realizes that fully 47.7% of all disabled males aged 16-64 are veterans.

Figure 7
Thirds: Disabled Adults



Total 12,290,000

41.99%
Receiving
Benefits

31.30%
In the
Labor Force

26.71%
Neither on Payrolls
Nor Aidrolls

Source: Current Population Survey, 1985

In our society, despite the inroads made by the movement of women into the labor force, males remain culturally pressured into providing income or other support for the family more than is the case among women. Disability, as powerful as it is in shaping lifestyle, does not prevent most males from securing some kind of income: just 18.5% are "neither on pay rolls nor on aid rolls". This is illustrated in Figure 8.

By contrast, women with disabilities appear to be culturally pressured to "allow yourself to be taken care of" by others. It is difficult to interpret the numbers otherwise: while more than one in every three disabled adult women is either "receiving benefits" or is "neither on pay rolls nor on aid rolls", just 25% are "in the labor force". Figure 9 offers an illustration.

In the Labor Force

We would expect most labor-force participants who are disabled to be in the prime working years. And they are: 23.5% are 25-34 and another 23.9% are 35-44, while 19.5% are 45-54. Just 10.8% are 16-24 and 22.3% are 55-64.

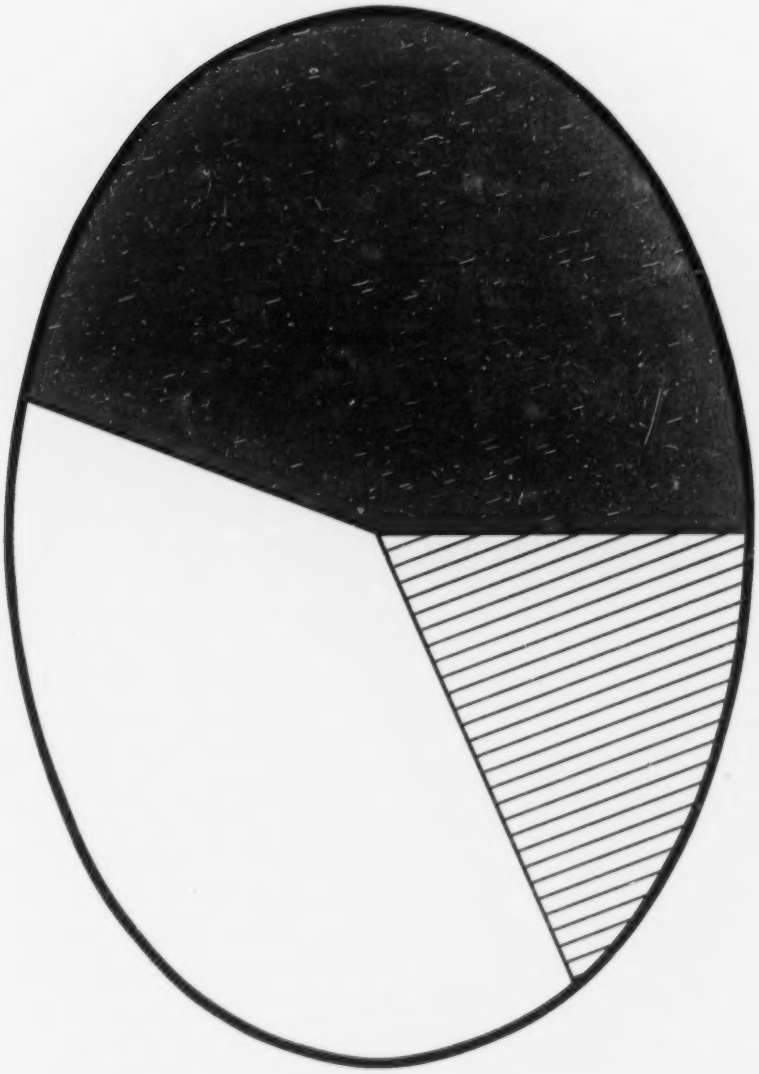
Our next question about those in the labor force is: Are these people better-educated than are those in the other two "thirds" of the population? That would seem to be a reasonable assumption: people with more education tend to be more likely to participate in the labor force. Accordingly, education attainment might prove to be a valid predictor of labor-force activitity. Against this very reasonable premise must be set the fact that many disabled adults became disabled following completion of their education; we cannot "tease out" age at onset from the data now available from the CPS to eliminate this confounding of variables, so the figures may not be as illuminating as we might wish. Nevertheless, it may be that we can take into account age at onset in interpreting these figures.

To ensure that our data include individuals who are likely to have completed their education, we look at disabled persons between the ages of 25 and 64. There are in that age range 3,429,000 disabled people not living in institutions who were "in the labor force." Figure 10 illustrates their educational attainment.

It is immediately evident by comparing Figure 10 to Figure 6 that labor-force participants aged 25-64 indeed are better educated than is the general population of disabled persons in that age range. In particular, note that four in ten (40.4%) are highschool graduates and that one in every seven (14.1%) is a college graduate. By contrast, just 7.3% have fewer than eight years of schooling and only 5.4% have an eighth grade education.

Figure 8

Thirds: Disabled Males



Total 6,317,000

44.28%
In the
Labor Force

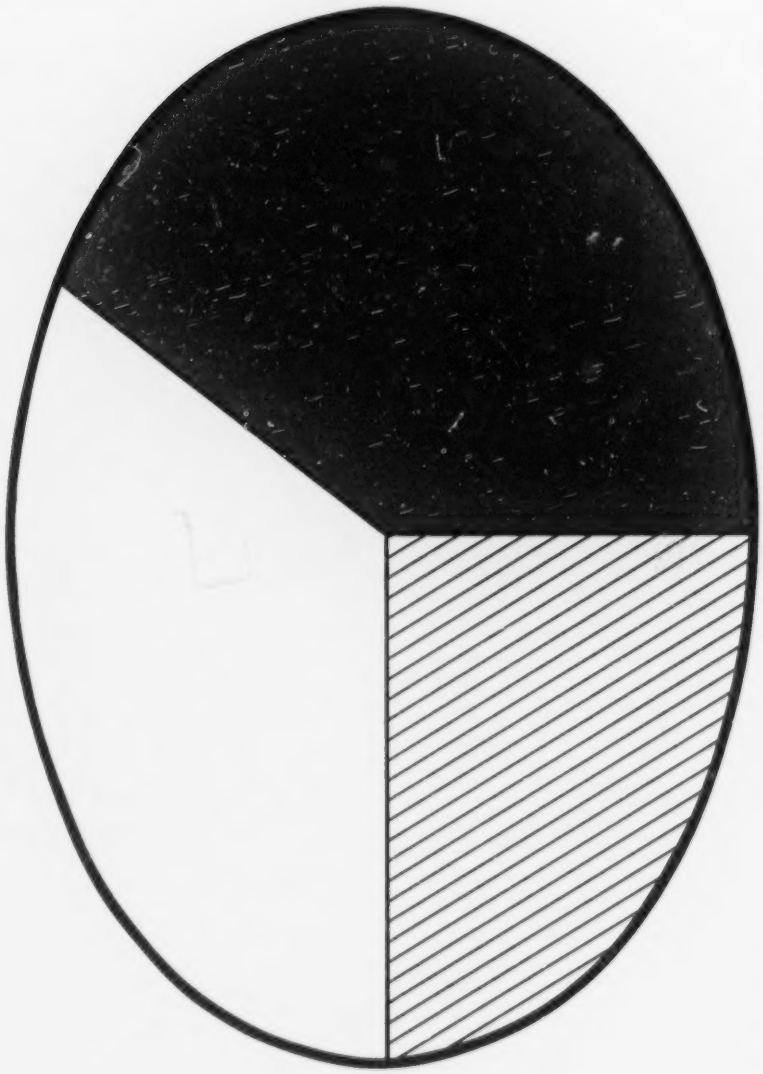
37.25%
Receiving
Benefits

18.47%
Neither on Payrolls
Nor Aidrolls

Source: Current Population Survey, 1985

Figure 9

Thirds: Disabled Females



Total 5,972,000

39.57% Receiving Benefits

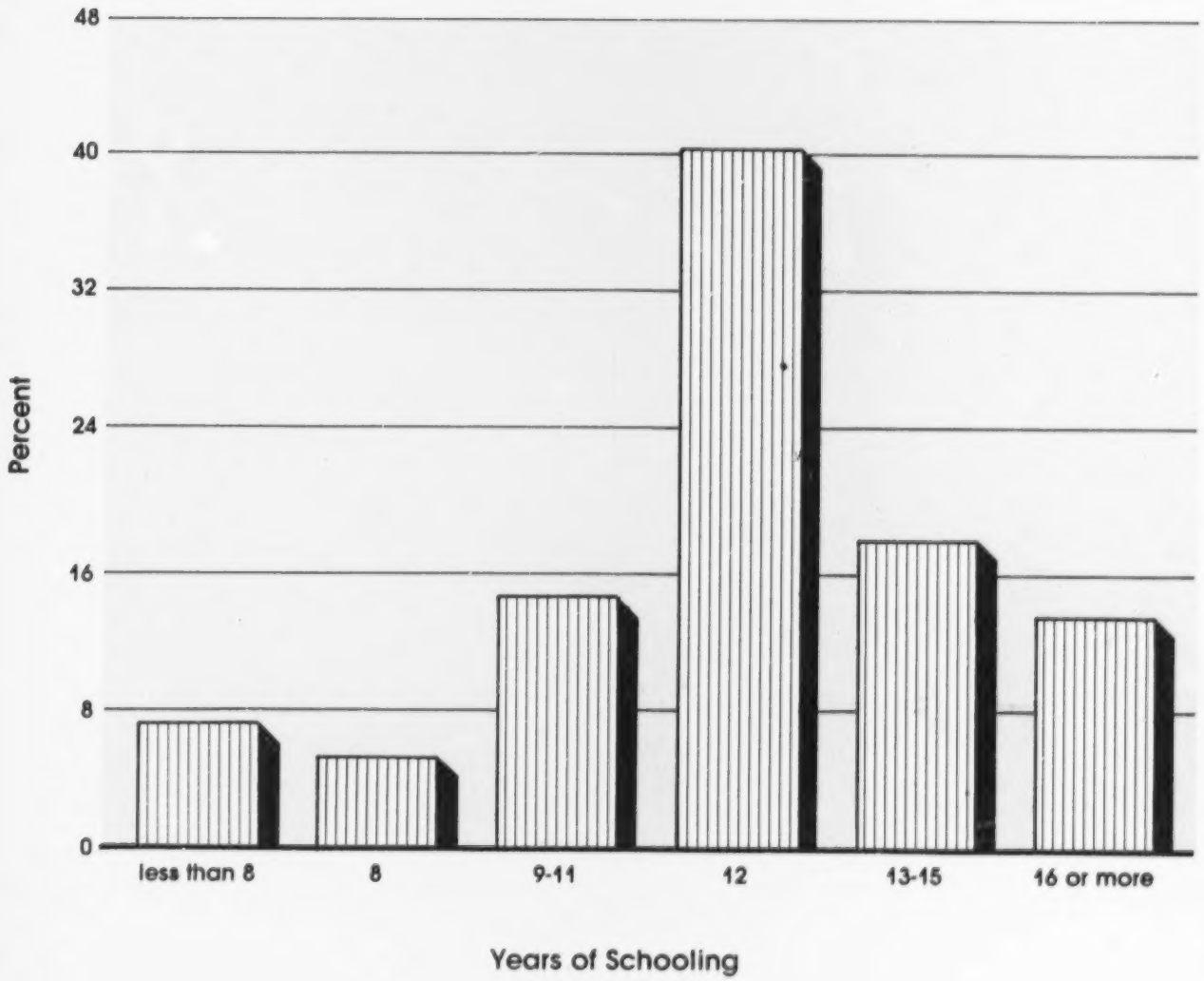
35.42% Neither on Payrolls Nor Aidrolls

25.01% In the Labor Force

Source: Current Population Survey, 1985

Figure 10

Education Attainment: Disabled Labor-force Participants



Source: Current Population Survey, 1985

Disabled individuals who are in the labor force are less likely to be married (53.5%) than is the general population of disabled adults participating in the labor force (59.7%). However, the proportion of disabled males in the labor force who are married (59.8%) parallels that of all males who participate in the labor force (63%), while just 43.8% of disabled women participating in the labor force are married, a proportion much lower than that of all working-age women participating in the labor force (55.7%). It appears that when disabled women are married, they are under less pressure to work than are married women in general; in other words, there may be societal and cultural factors such that married women who are disabled are "allowed" not to work.

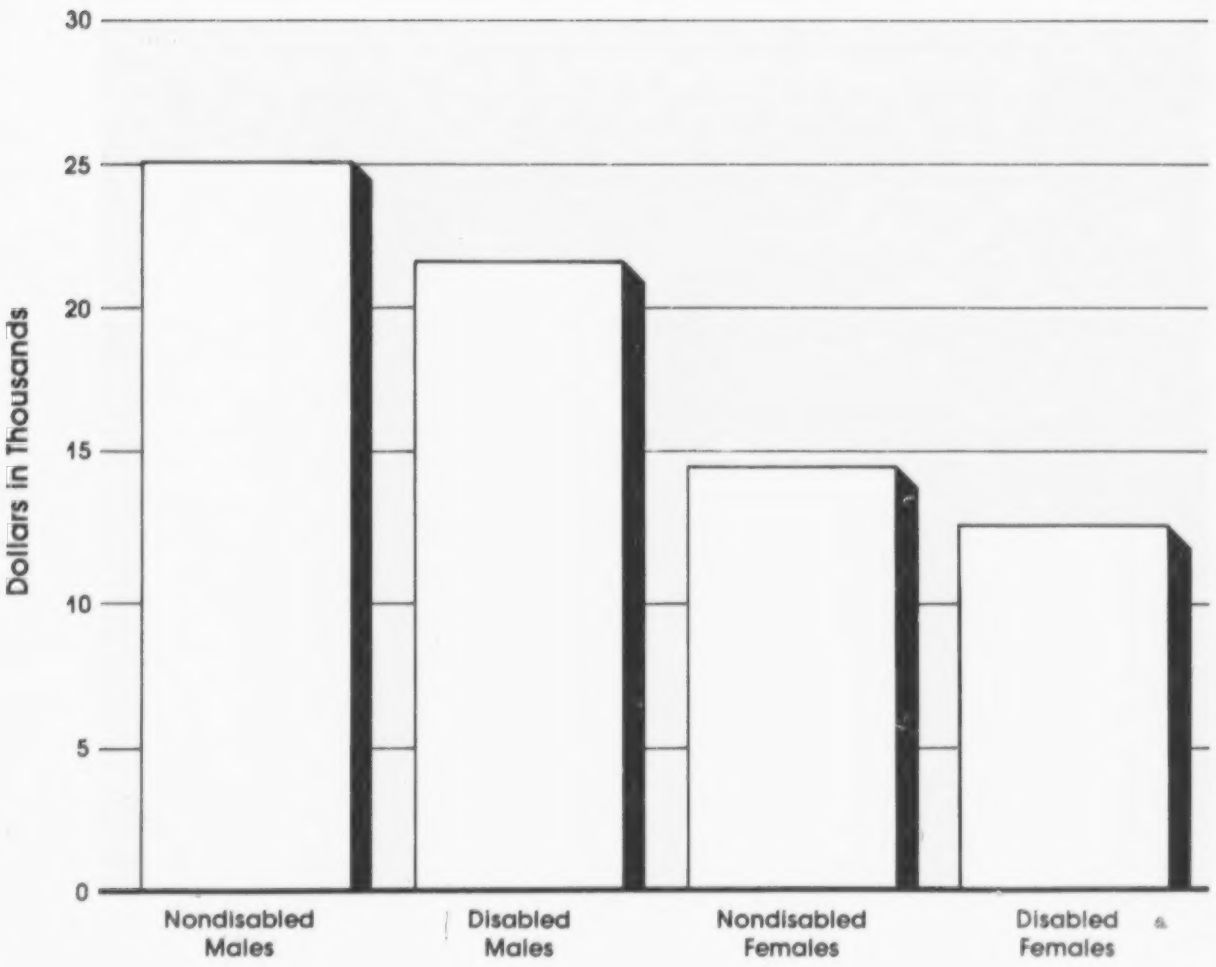
Of the three million disabled veterans, 38.6% participate in the labor force. That is similar to the 37.2% rate for all males who are disabled. Given the generous benefits available to war-disabled veterans, it may be that much of the labor-force participation by veterans who are disabled is accounted for by the fact that these disabilities are not service-connected. Earlier, we estimated that some two million Americns are war-disabled. That would fit closely with the hypothesis that labor force participation by disabled males is, in statistical jargon, a proxy for non-service connection. We know that the rate of labor force participation among war-disabled veterans is very low; however, it must be noted that many such persons do work.

Income among disabled persons participating in the labor force is markedly higher than that of disabled adults generally. This is satisfying evidence that when people with disabilities work or actively seek work, they do much better for themselves than might be suggested by the income data offered in Figure 1. Disabled adults in the labor force had a median income of $11,553.00, as compared to $14,514.00 for all 16-64 adults (disabled and nondisabled combined); that is, the median income of disabled labor-force participants was 79.6% of that of all labor-force participants. Mean income among labor-force participants who are disabled was $14,894.00, compared to $17,434.00 for all labor-force participants; accordingly, mean income of disabled persons participating in the labor force was fully 85.4% of that of all labor-force participants. This is encouraging evidence that disabled people who work or actively seek work earn quite close to what all workers earn.

Further evidence is available from the Survey of Income and Program Participation (SIPP), US Bureau of the Census, which looked at the mean earnings of disabled and nondisabled individuals in April-June, 1984. Compiling a "monthly average" of earnings among persons who worked each week of the month, the SIPP reported that disabled adults averaged $1,560.00/month, as against $1,781.00/month for nondisabled adults. Translated into annual earnings, the earnings are $18,732.00 for disabled workers and $21,372.00 for nondisabled workers. That is, mean earnings for disabled workers were 87.7% of those for nondisabled workers. This very encouraging information results from a direct comparison of disabled to nondisabled workers (usually full-time). The 1985 CPS data we are analyzing in this book, however, do not differentiate full- from part-time workers and make it difficult to tease out nondisabled from general population labor-force participants. Looking further at the SIPP figures for a moment, we see that among males, disabled workers earned a projected annual income of $21,648.00 as compared to nondisabled workers' $25,068.00; this is 86.4%. Among females, disabled workers earned a projected average of $12,720.00, as against $15,120.00 for nondisabled workers, or 84.1% as much.

Rehabilitation counselors frequently complain that it is difficult to convince disabled individuals that they can do better for themselves by entering the labor force than by relying upon benefits. The average earnings of disabled workers should serve as a powerful incentive to disabled individuals considering whether or not to invest in rehabilitation. Figure 11 offers a graphic illustration of just how close are the earnings of workers who are disabled and not disabled. Bear in mind, while interpreting the chart, that most persons included in these data are full-time workers and that the information comes, not from the CPS, but from the SIPP, for which reason the figures are not directly comparable to others offered in this book.

Figure 11
Earnings: SIPP



Source: Survey of Program Participation, 1984

What about poverty? The March 1985 CPS shows that just 16.3% of disabled adults participating in the labor force have incomes from all sources that are below the poverty level. This is markedly fewer than the overall disabled adult population's 27.4% rate of poverty. Given the high median and mean incomes of disabled persons participating in the labor force, this is not a surprising finding.

Receiving Benefits

There are 5,161,000 disabled adults between the ages of 16 and 64 who receive Social Security, SSI, or other retirement or disability benefits because of disability and who do not particpate in the labor force. These people represent 42% of the working-age disabled population.

One fascinating aspect of the data on those receiving benefits is that disabled persons comprise fully 66.5% of all 16-64 individuals who are in this category. Among males, the proportion disabled is even higher: 76.2%. Among women, 57.9% of all benefit recipients are disabled. These figures help us to apportion benefit spending, showing policy makers that most benefit outlays for working-age persons are in fact disability expenditures.

Only 7% of all disabled beneficiaries worked at all in 1984. Virtually none were working in March 1985.

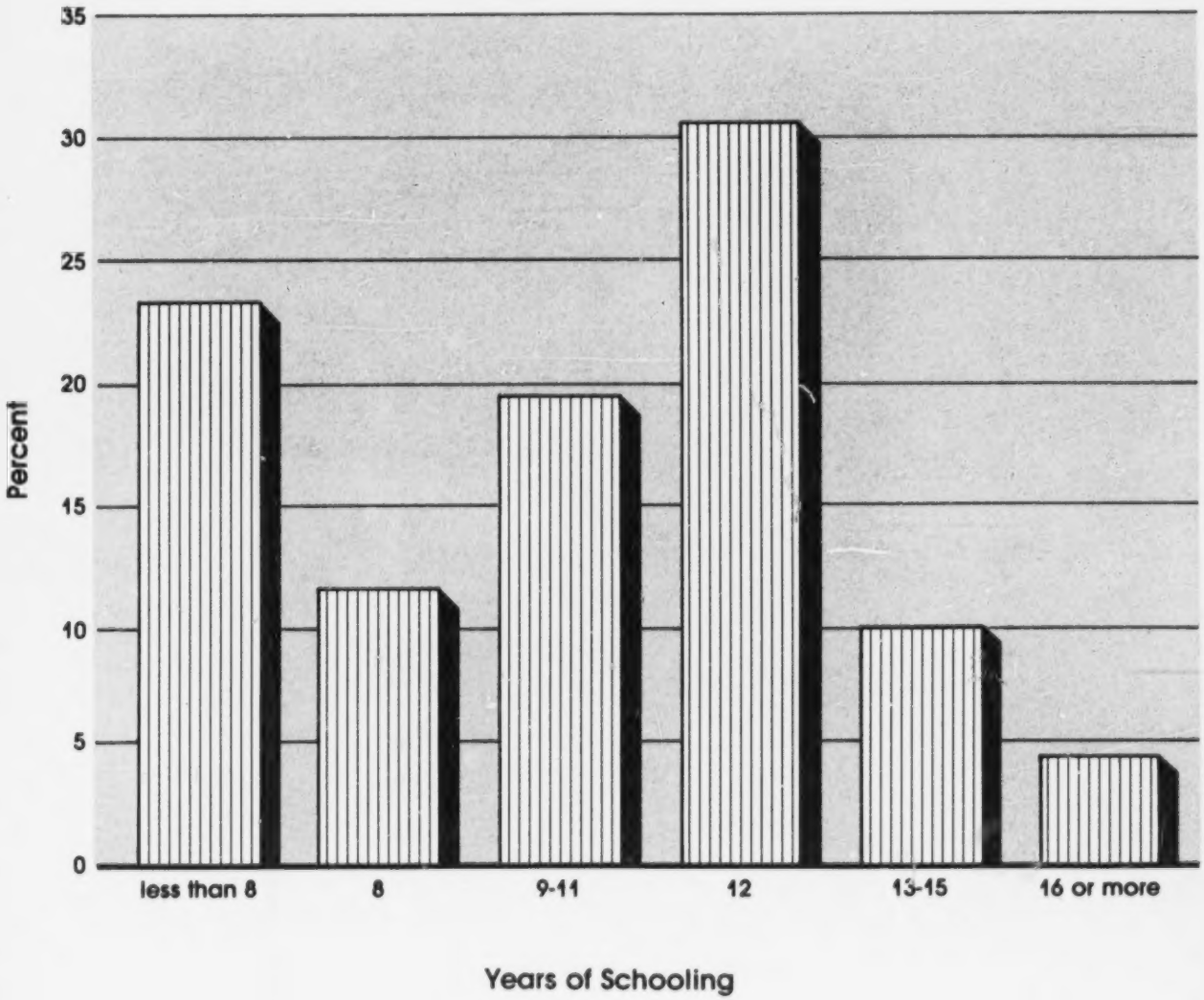
More than half (56.1%) of disabled beneficiaries are 55-64 years of age while only 12.2% are in the peak working years 35-44 and just 9.3% are 25-34. Thus, disabled beneficiaries are on average much older than are disabled labor force participants.

We would expect disabled beneficiaries, on average, to be less well-educated than are individuals participating in the labor force. And in fact this is true: among persons who may be expected to have completed their education (individuals aged 25-64), we find that those receiving benefits are three times as likely (23.3% vs. 7.3%) as are those participating in the labor force to have fewer than eight years of schooling, twice as likely (11.7% vs. 5.4%) to have an eighth-grade education, and one-third as likely (5.0% vs. 14.1%) to be college graduates. One in five (19.2%) has some high school, 30.7% are high school graduates, and 10.0% have some college. Figure 12 offers an illustration.

We would also expect some persons receiving benefits to be veterans, given our country's generous pensions and other aid for its veterans. Indeed, 27.6% of all persons receiving benefits because of disability are veterans; of all males receiving benefits, 50.9% are veterans.

Married men may be more likely to seek benefits if they cannot find work than are women, due to society's pressure upon men to provide in some way for their spouses. In fact, 57.7% of disabled males receiving benefits are married, as against 38.3% of women who receive benefits. Evidently, married women who are disabled tend to rely upon their husbands to provide for them rather than seek to receive governmental benefits. Lending some credence to this theory is the fact that men receiving benefits are less likely to be divorced (8.8%) than are women receiving benefits (13.8%). Apparently, divorced women who are disabled are more likely to seek benefits in order to support themselves than are married women.

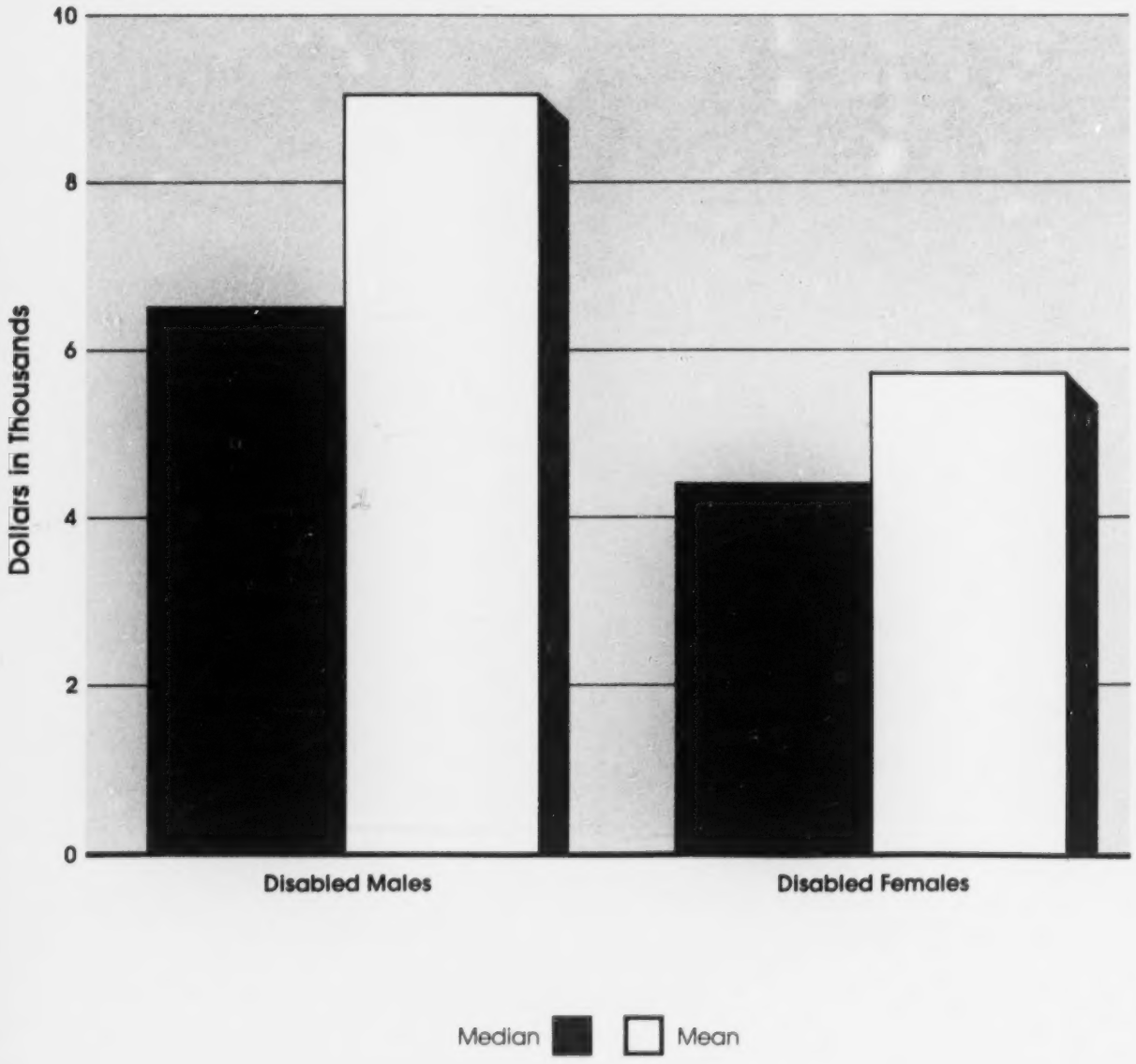
Figure 12
Beneficiaries Education: 25-64



Source: Current Population Survey, 1985

Income among persons receiving benefits is a factor not only of the generosity of the benefits themselves but also of allowable earnings; many benefit programs restrict "substantial gainful activity" to such an extent that little earned income is allowed. Accordingly, we should not be surprised to see that the income of persons receiving benefits is modest; on the other hand, because many benefit programs are structured to provide at least a "minimum income", we would not expect many beneficiaries to be really poor. The March 1985 CPS data indicate that the median income (from all sources) of disabled beneficiaries was $5,345.00, while the mean was $7,610.00. While modest, these income levels still left 29% of disabled beneficiaries in poverty. Among males with disabilities who were receiving benefits, 24.6% lived in poverty, while females were poor at a 34.4% rate. Disabled male beneficaries had a median income from all sources of $6,529.00 and a mean income of $9,042.00. Among disabled women who received benefits, the median income was $4,495.00 and the mean was $5,916.00. Figure 13 illustrates income levels among disabled persons receiving benefits; the chart may be compared to Figure 1 to see how income differs between disabled adults in general and those receiving benefits.

Figure 13
Income: Beneficiaries



Source: Current Population Survey, 1985

Among disabled beneficiaries, 3,446,000 or 66.8% received Social Security income, either at age 62 or from SSDI. They represented fully 57.1% of all Social Security beneficiaries under age 65. A total of 66.8% of male beneficiaries got Social Security, while the proportion among women was almost identical (66.7%). Food stamps were received by 1,142,000 disabled beneficiaries under age 65. A total of 66.8% of male beneficiaries got Social Security, while the proportion among women was almost identical (66.7%). Food stamps were received by 1,142,00 disabled beneficiaries, or 22.1%; they represented 83.8% of all under-65 food stamp recipients. A total of 17.7% of male beneficiaries and 27.4% of female beneficiaries got food stamps. Somewhat more disabled beneficiaries, 1,446,000 persons, or 28% of all such beneficiaries, were covered by Medicaid; they represented 92% of all under-65 Medicaid recipients. Among males, 22.6% received Medicaid benefits while 34.4% of females were covered. Figure 14 offers an illustration.

It is clear that disabled women receiving benefits are more likely to be eligible for means-tested programs, such as SSI (which in turn conveys eligibility for food stamps and Medicaid).

Neither on Payrolls Nor on Aidrolls

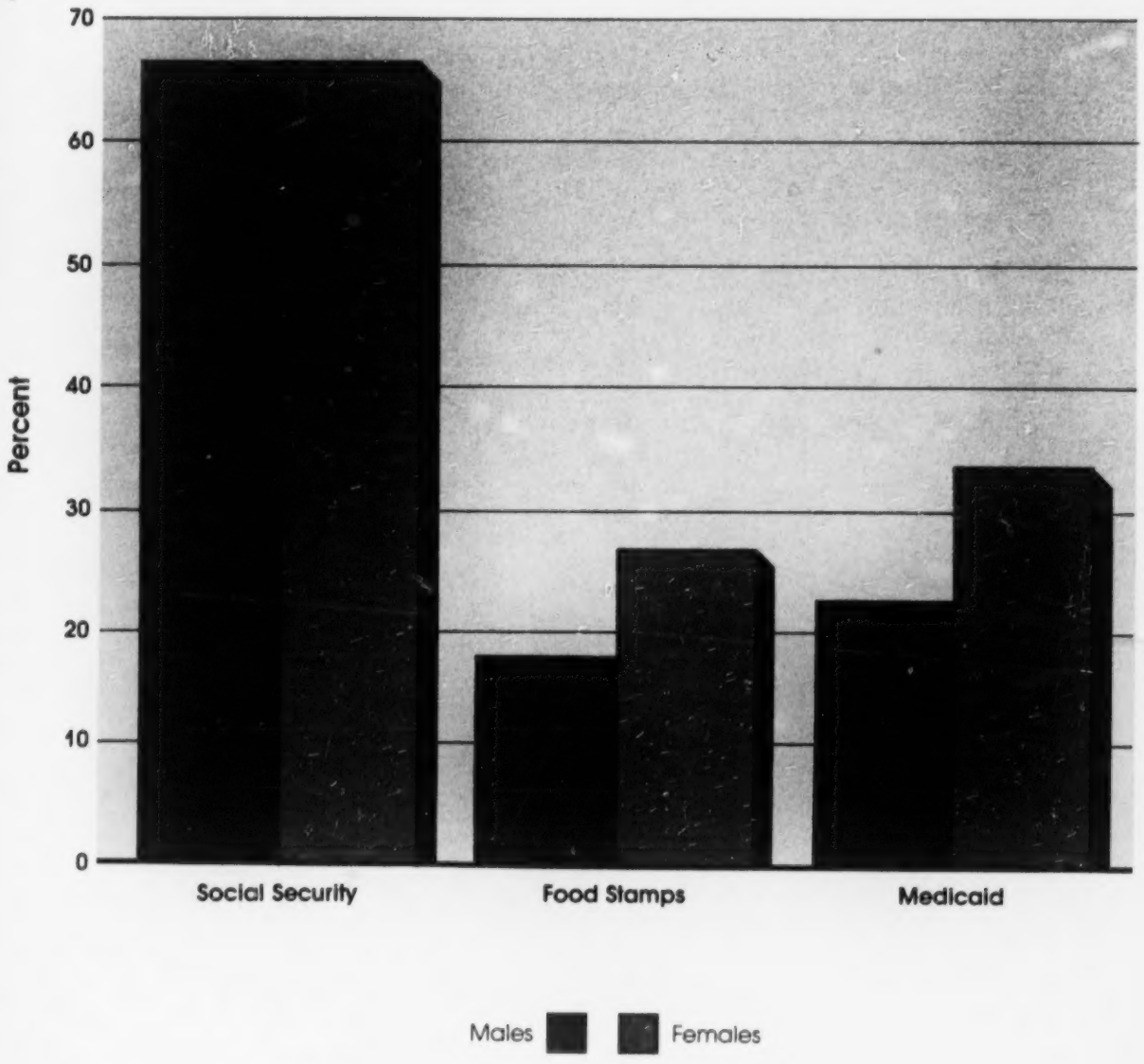
When I described the "theory of thirds" to US Census Bureau experts, their initial "educated guess" about the composition of the third category, that of persons who neither participate in the labor force nor receive retirement or disability benefits, was that this third group was largely comprised of married women who were depending upon their husbands for support.

As it turns out, the experts were rather on target: fully 64.4% of all persons in this category were women, of whom 59% were married. Yet "married women" constitute only 1,250,000 of the 3,282,000 disabled persons in the "no pay, no aid" category, or 38%. Another 865,000 are unmarried women, of whom 275,000 are divorced, 173,000 widowed, 130,000 separated, and 287,000 never married. A total of 1,167,000 disabled males are in this category, or 35.6% of all "no pay, no aid" group members. However, fully 85% of all persons in this category lived in families, suggesting that the family constitutes a major source of support for most of these disabled people. Some were spouses of the householder (43.4%), while others were householders themselves (33.6%) or a grown child of the householder (16.7%).

A total of 15.9% of all persons in this category, and 36.6% of the males, were veterans. It is likely that many of these persons have non-service connected disabilities.

We would expect that people in this category likely would be very poor: they have neither earnings nor benefits to help them to survive. In fact, median income of all disabled persons in this third group was $3,013.00; mean income was $3,755.00. Women in this category were particularly likely to be poor: they had a median income of $2,222.00 and a mean income of $2,560.00; remember, this is income from all sources. Males had median incomes of $5,194.00 and mean incomes of $5,921.00.

Figure 14
Program Participation



Source: Current Population Survey, 1985

Not surprisingly, 37.8% of persons in the "no pay, no aid" category lived in poverty. A total of 758,000 disabled women, or 41.3%, had incomes under the poverty level.

With respect to age, one-third (33.1%) were 55-64 years of age and almost one in four (23.3%) were 45-54. Just 10.5% were 16-24, 14.4% were 25-34, and 18.7% were 35-44. In other words, members of this group were older than were labor-force participants but younger than beneficiaries.

Looking now at educational attainment for persons aged 25-64, that is, among those individuals in the "no pay, no aid" category who are likely to have completed their education, we find that 36.4% are high-school graduates, while 22.9% have some high school. A total of 9.7% have some college and 6.8% are college graduates. At the lower end of the scale, we see that 14.6% have fewer than eight years of schooling, while 9.6% have an eighth grade education. These education attainment levels are generally better than those of beneficiaries (Figure 12), which is fairly surprising, but clearly worse than those of labor-force participants (Figure 10), which is not at all surprising. Figure 15 illustrates the data.

In general, the "no pay, no aid" group is most like the "in the labor force" category in age. As Figure 16, below, illustrates, these two groups have similar age-range structures, both of which differ sharply from the "receiving benefits" category. It may be that persons in the "no pay, no aid" group are potentially able to return to work: they are better-educated than are beneficiaries, and younger as well.

III. Severely Disabled Adults

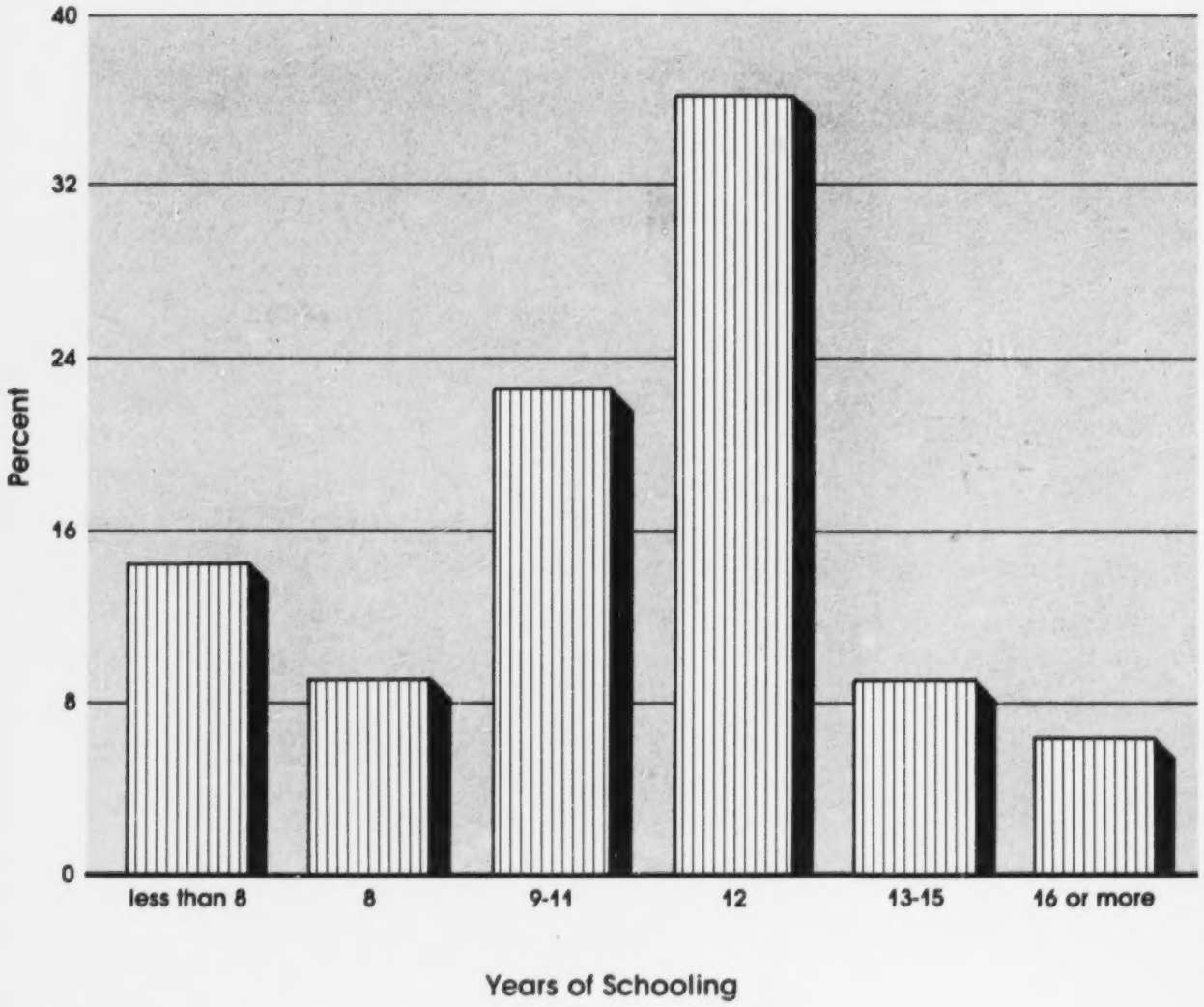
Individuals were categorized as "severely disabled" by the Bureau of the Census if one or more of the following was true: (1) their main activity during the survey week was "ill or disabled"; (2) the reason they did not work at all in 1984 was that they were "ill or disabled"; (3) they were covered by Medicare; or (4) they received Supplemental Security Income (SSI) benefits.

From the 1980 Census (see **US Census and Disabled Adults**, 1984) we know that about half of all disabled adults are considered to be severely disabled. The March 1985 CPS found that 6,893,000 of the 12,289,000 disabled individuals identified were severely disabled, for a proportion of 56.1%.

The population of persons who are severely disabled does not divide itself by thirds. Rather, two-thirds of its members (63.2%) are "receiving benefits", while 26.6% are "neither on pay rolls nor on aid rolls" and just 10.2% is "in the labor force". Figure 17 may be contrasted to Figure 7 to illustrate just how different are the overall 16-64 population of persons with disabilities, on one hand, and the 16-64 population of individuals who are severely disabled.

Severely disabled individuals are evenly divided between males (50.4%) and females (49.6%). Males and females alike divide themselves into the three categories much as does the population of severely disabled persons as a whole. Thus, 68.1% of severely disabled males were "receiving benefits", as contrasted to 58.3% of females; 21.8% of males were "neither on pay rolls nor on aid rolls", as against 31.4% of females; and 10.1% of males were "in the labor force", as compared to 10.3% of females. The major difference, that between the two proportions "receiving benefits", appears largely to be a function of the fact that 46.7% of all severely disabled males receiving benefits were veterans. That is, if we were to disregard veterans altogether, we would find that 53.2% of disabled males were receiving benefits.

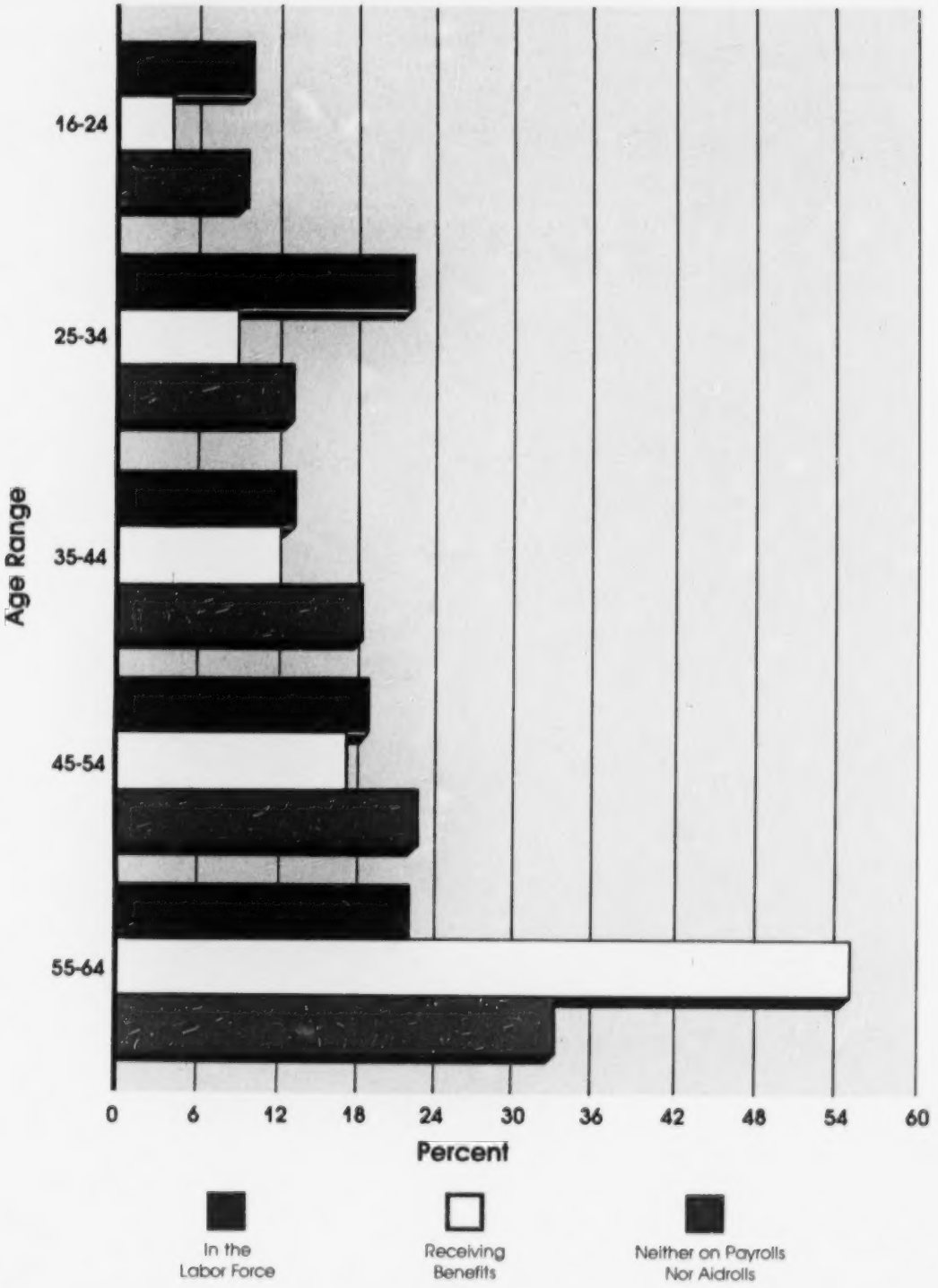
Figure 15
"No Pay, No Aid" Education: 25-64



Source: Current Population Survey, 1985

Figure 16

Age Range by Thirds



Source: Current Population Survey, 1985

Severely disabled persons are more likely to be black or of Hispanic origin (individuals of Hispanic origin may be of any race, for which reason percentages do not total 100). Three in four severely disabled persons (75%) are white, as against 80.2% of all disabled working-age adults; 22.6% of severely disabled persons are black (vs. 17.7%); and 8.6% are Hispanic (vs. 7%).

With respect to age, the severely disabled population has almost half (44.1%) of its members in the 55-64 age range, largely because the "receiving benefits" segment is predominantly in this age cohort. One in five (20.1%) is 45-54, 16% are 35-44, 12.9% are 25-34 and 6.9% are 16-24. Figure 18 offers an illustration.

These numbers raise some serious questions about "transition", the initiatives undertaken to help severely disabled persons move from school to employment and to independent living. The March 1985 CPS shows that only 476,000, or fewer than one-half million, persons are both severely disabled and in the transition age range of 16-24. There is no question that many of these people need help in making the transition from dependence on others to self-reliance; their small numbers, however, suggest that over-reliance on the transition strategy risks ignoring the needs of 93.1% of the severely disabled population.

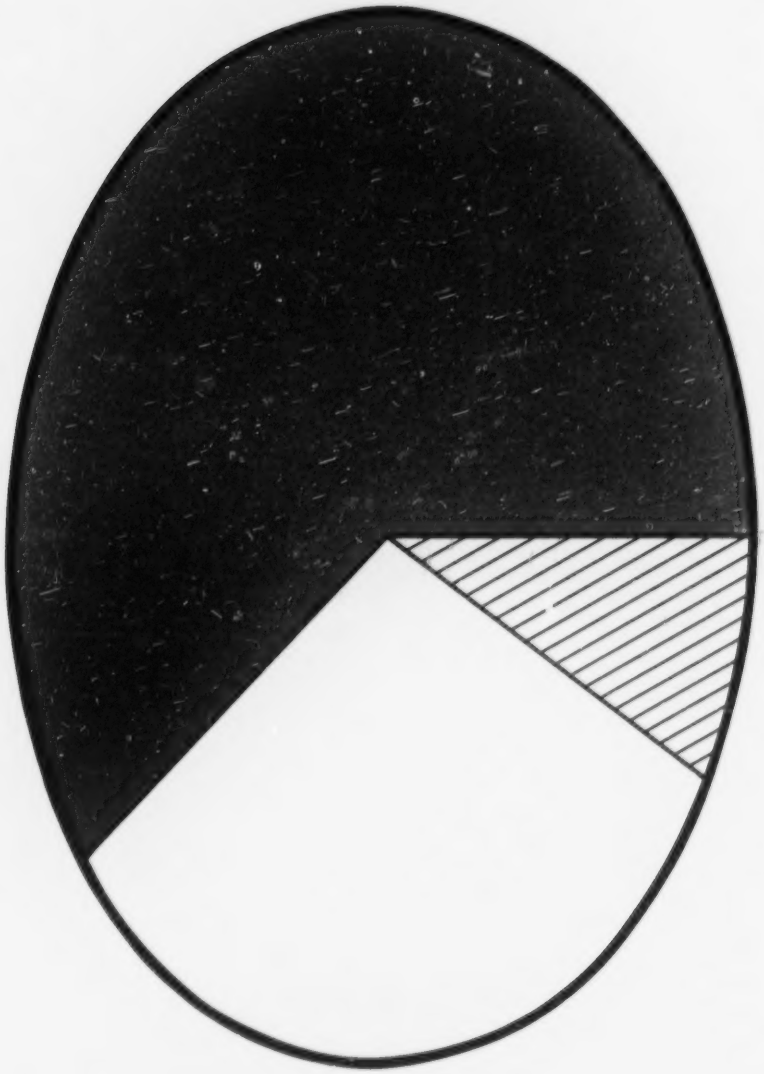
Rehabilitation agencies, especially since 1973, have targeted younger severely disabled persons. A total of 2,471,000 persons are both severely disabled and between the ages of 16 and 44. These people would seem to be within the age ranges most likely to be served both by independent living centers and programs and by rehabilitation agencies.

Return to work efforts with persons who are severely disabled most likely would concentrate upon the two-thirds of this population, 4,422,000 individuals, or 64.2% of the total, who are between the ages of 45 and 64. Most, 3,109,00, or 70.3%, are now receiving benefits from disability or retirement programs.

Education attainment among severely disabled persons tracks that among all disabled individuals quite closely. Looking at the 25-64 population, that is, at persons whose education likely is completed, we see that severely disabled persons have somewhat lower education attainment than do all disabled persons in that age range, but the difference is not a sharp one. One in five (22.2%) severely disabled persons have fewer than eight years of schooling, one in ten (11.1%) have an eighth-grade education, and one in five (19.8%) have some high school. Three in every ten (31.5%) are high-school graduates, 10% have some college, and 5.4% are college graduates.

How are severely disabled people doing with respect to income? A staggering 34.9%, or more than one in three, live in poverty. Even among those participating in the labor force, 28.7% have incomes from all sources below the poverty level. A somewhat lower, but still high, 31.5% of those receiving benefits live in poverty. And more than four in every ten (44.1%) of those in the "no pay, no aid" category are poor.

Figure 17
Thirds: Severely Disabled



Total 6,893,000

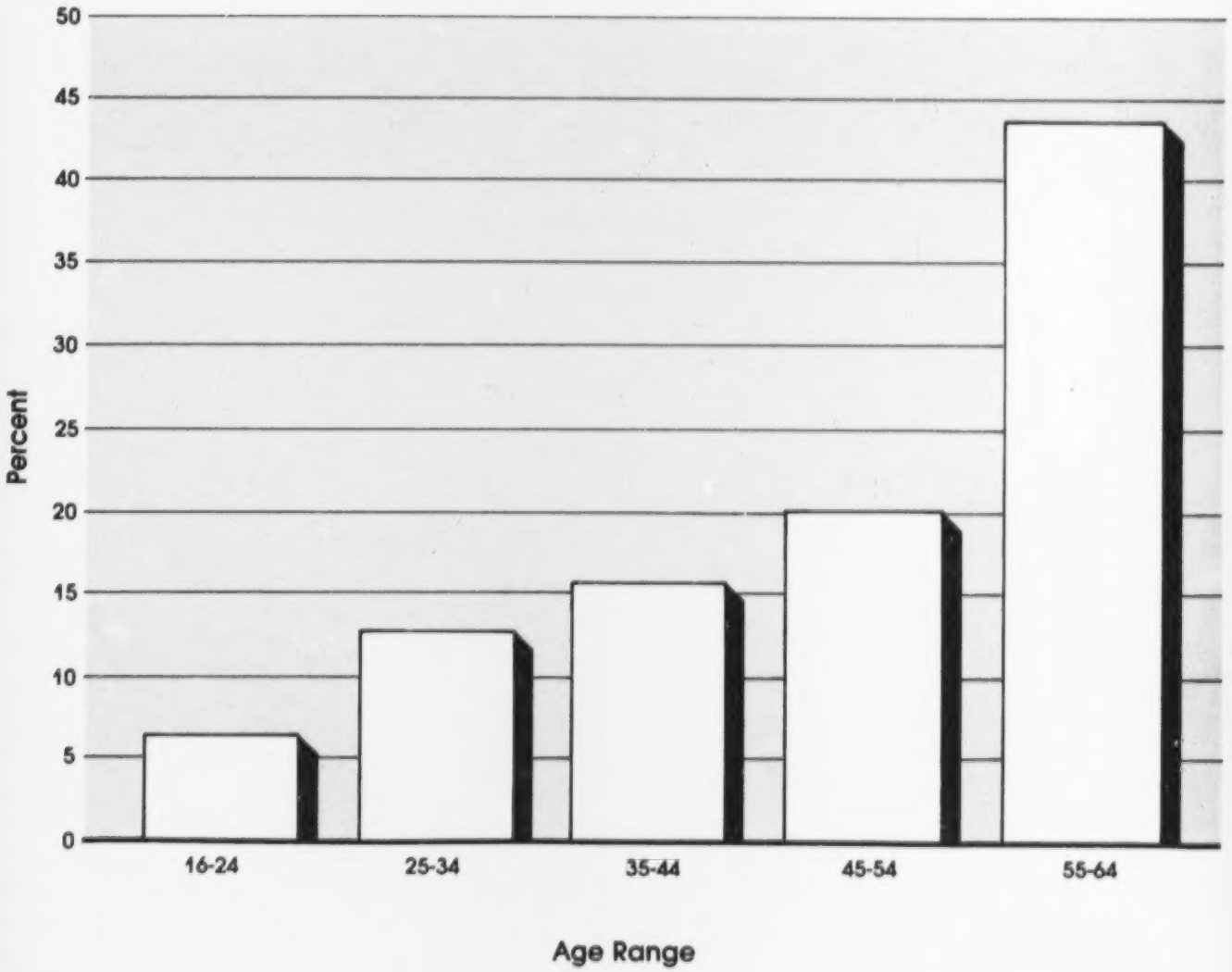
63.20% Receiving Benefits

26.60% Neither on Payrolls Nor Aidrolls

10.20% In the Labor Force

Source: Current Population Survey, 1985

Figure 18
Age Distribution: Severely Disabled



Source: Current Population Survey, 1985

In the Labor Force

Of the 704,000 severely disabled individuals in the labor force, about half (49.7%) were male and 50.3% were female. Just 14.3% of all such labor-force participants, and 28.9% of all males participating in the labor force, were veterans; both proportions are well under those for the overall disabled adult population, suggesting that veterans' benefits often suffice to meet the need, precluding the necessity to participate in the labor force.

Median income from all sources was $6,479.00; for males, the median was $6,538.00 and for females it was $6,410.00. These figures are far below the median incomes obtained by disabled labor-force participants generally: $11,553.00, with $14,995.00 for males and $7,857.00 for females. In other words, those with severe disabilities earn much less even when they participate in the labor force than do disabled persons overall who are labor-force participants. Mean income was also lower among severely disabled persons who were labor-force participants: $8,444.00, with $9,244.00 for males and $7,652.00 for females. By comparison, disabled persons in general who participated in the labor force had mean incomes of $14,894.00, with $18,202.00 for males and $9,686.00 for females. In different terms, severely disabled persons had about half the mean income of disabled persons generally when both participated in the labor force. Accordingly, it is not surprising that few severely disabled persons actively participate in the labor force.

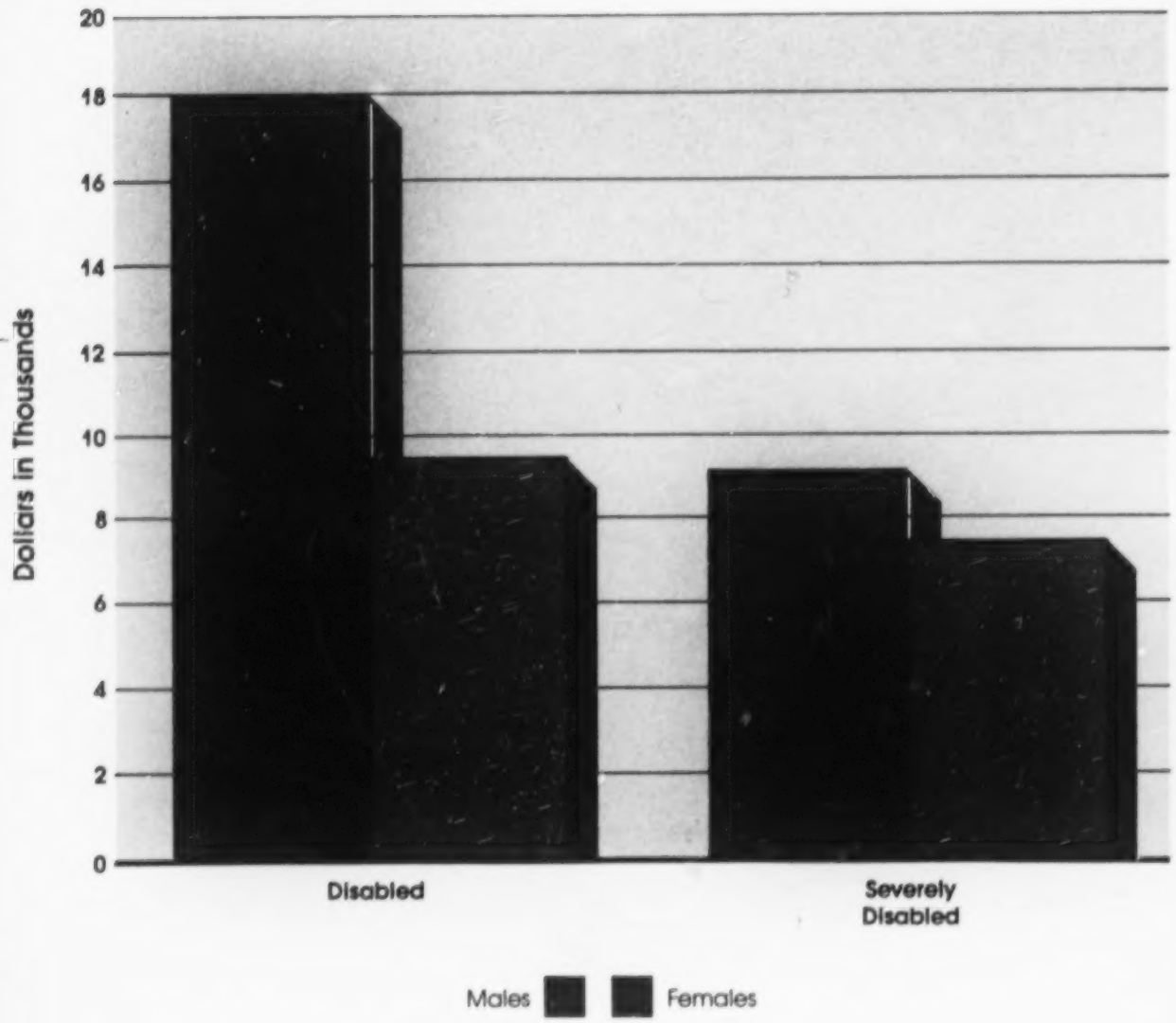
Figure 19 contrasts severely disabled and all disabled persons on mean income when both groups are labor-force participants. It is evident from this figure that rehabilitation counselors may well have difficulty convincing severely disabled individuals to enter into or continue in the labor force. However, in interpreting the data, notice that 86.9% of disabled labor-force participants in 1985 also worked in 1984, as against just 53.7% of severely disabled labor-force participants; this suggested that many of the severely disabled participants are new workers making entry-level wages while non-severely disabled persons have more of a long-standing commitment to labor-force activity.

What about education attainment? We would expect that education for labor-force participants who are severely disabled would be higher than for severely disabled beneficiaries or members of the "no pay, no aid" category. labor-force participants aged 25-64 who were severely disabled in March 1985 had a plurality of their members with a high-school education (38.3%), while another 16.6% had some high school, 15.9% had some college, and 10.0% were college graduates. A quite low 14.9% had fewer than eight years of schooling and just 4.3% had an eighth-grade education. These figures are remarkably similar to those presented in Figure 6, above, but not as good as those in Figure 10, above, suggesting that in education attainment levels, severely disabled labor-force participants are more like the general disabled population than they are like labor-force participating disabled persons in general. Later, we will compare these educational levels to those of severely disabled persons in the other two categories.

We would expect labor-force participants who are severely disabled to be in the prime working years. And this is true: 26.0% are aged 25-34 and 22.5% are 35-44, bringing to 48.5%, or nearly half, the proportion in these age ranges. An identical 14.6% are aged 16-24 and 45-54, while 22.3% are 55-64. One in four (75.4%) were white, 21% were black, and 9% (some white) were Hispanic.

And we would anticipate that many severely disabled labor-force participants would be married. In fact, one-third (33.3%) are married, but a larger 39.3% never married. It may be that their inability to earn enough money working precludes marriage for many. A total of 14.5% are divorced, 7% are widowed, and 5.8% are separated.

Figure 19
Labor-Force Participants



Source: Current Population Survey, 1985

Receiving Benefits

By far the largest category among severely disabled persons, the beneficiary group includes 4,358,000 individuals, or 63.2% of all severely disabled people. Their most striking characteristic is probably that they comprise 84.4% of all disabled persons in this category; that is, more than eight in every ten disabled persons receiving benefits are severely disabled.

By contrast, severely disabled persons were just 18.3% of all disabled persons in the labor force. Among persons in the "no pay, no aid" category, those who were severely disabled constituted a higher 55.8% that still was nearly thirty percentage points short of the remarkable 84.4% found among beneficiaries.

A second characteristic, one shared by the larger population of disabled persons receiving benefits, is that more than half (53.4%) are 55-64 years of age; in fact, those between 45 and 64 constitute fully 71.7% of all severely disabled persons in the "receiving benefits" category. Just 5.4% are 16-24, 10% are 25-34, and 13.2% are 35-44.

Severely disabled beneficiaries tend not to be well-educated. Fully one quarter (25.3%) of those aged 25-64 have fewer than eight years of schooling, while an additional 12.9% has an eighth-grade education; in other words, almost four in ten (38.2%) never even began high school. One in five (19.1%) has some high school, one in three (29.1%) is a high-school graduate, one in ten (9.6%) has some college, and one in twenty (4.3%) is a college graduate.

Only 3.7% worked in 1984; virtually none were working in March, 1985.

Their benefits helped most to escape poverty. The median income for severely disabled benefit recipients in 1984 was $5,094.00, with males having a median of $6,035.00 and females $4,371.00. Mean income for all severely disabled beneficiaries was $8,031.00, with $8,284.00 for males and $5,623.00 for females. Three in ten (31.4%) lived in poverty. These levels are not sharply different from those who participated in the labor force. In other words, beneficiaries were receiving almost as much income without working as labor-force participants were by working.

Two-thirds (67%) received Social Security (SSDI, SSI or early retirement-age (62) benefits, while 32.1% were covered by Medicaid. One in four (24.4%) received food stamps.

One in four (25.3%) were veterans; of males, 46.6% were veterans.

Three in four (75.7%) were white, 22.4% were black, and 7.8% were of Hispanic origin. Some persons of Hispanic origin were also white.

This population is one of poorly educated, old, lower-middle class individuals without recent labor market experience. It is a challenge to rehabilitate them to employment. Many probably would resist the effort, preferring to await official retirement age.

Neither on Payrolls Nor on Aidrolls

The third category of severely disabled individuals, those in the "no pay, no aid" group, constituted 26.6% of all severely disabled persons, or about one in four. These 1,831,000 persons were the most likely of all groups of persons with disabilities to live in poverty: fully 44.1% had incomes from all sources that were below the poverty level.

Median income for this group was $2,950.00, with males having a median of $5,062.00 and females $2,329.00. Mean income in 1984 was $3,138.00; for males it was $4,321.00 and for females $2,303.00. These very low levels make it clear how deep into poverty this category is—and how much it needs employment. While none received any Social Security, 32.8% received food stamps and 28.6% were covered by Medicaid.

These individuals were somewhat older than were labor-force participants, but much younger than beneficiaries. About one in every seven (7.4%) were 25-34, one in five (20.3%) were 35-44, and one in four (26.5%) were 45-54. One-third (31%) were 55-64 and just 7.4% were between 16 and 24 years of age. A majority, or 54.2%, were in the 16-54 age range most likely to work, yet only 5.8% worked at all in 1984 and virtually none worked in March 1985.

Thanks to the generosity of veterans' benefits, only 14.5% of persons in the "no pay, no aid" category were veterans; among males, 35.1% were veterans. Both proportions are well under those for the disabled population as a whole. Again, it is possible that these persons are non-service connected veterans; of the three million persons found by the March 1985 CPS to be disabled veterans, some two million are estimated to be service-connected veterans. Most generous benefits administered by the Veterans Administration are restricted to service-connected veterans.

About half (49.0%) were married, while 13.9% were divorced, 7.3% were widowed, 6.2% were separated, and 23.6% never married.

In education attainment, this group was quite similar to the severely disabled population as a whole. While 16.9% had fewer than eight years of schooling and 10.4% had an eighth-grade education, 22.7% had some high school and 34.8% were high-school graduates. About one in twelve (8.6%) had some college, and 6.6% were college graduates.

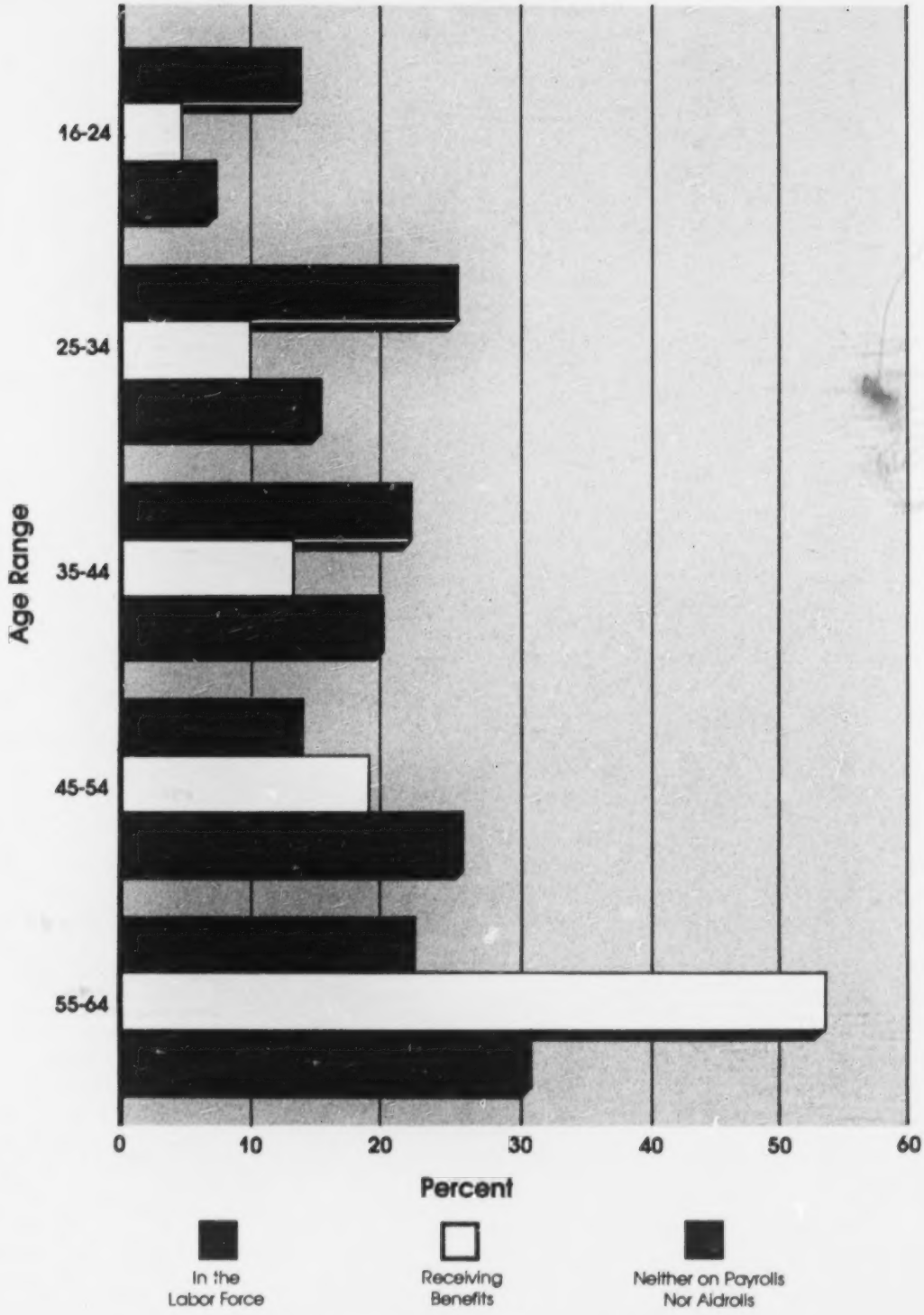
A total of 73.2% were white, while a high 23.9% were black and a fairly high 10.2% were of Hispanic origin. Some of Hispanic origin were also white, which accounts for the fact that the total does not equal 100. This group is more likely to include blacks and persons of Hispanic origin than is the labor-force participant category.

Summary

Individuals who are severely disabled are most likely to be receiving benefits if they are older, not well educated, members of a racial or ethnic minority group, while labor-force participants tend to be younger, fairly well-educated, and white. Severely disabled persons in the "no pay, no aid" category include individuals who are quite well-educated and who are fairly young; with respect to race and ethnic origin, they are similar to the severely disabled population as a whole. This information may prove to be helpful in planning intervention and aid services.

What seems to distinguish most sharply between the three groups of severely disabled persons is age: those receiving benefits are much older than are those in the other two groups. Similarly, education attainment sets off the beneficiaries, as the other two groups tend to be better-educated. To illustrate these potential predictors, Figures 20 and 21 set the three groups side by side on age and education, respectively.

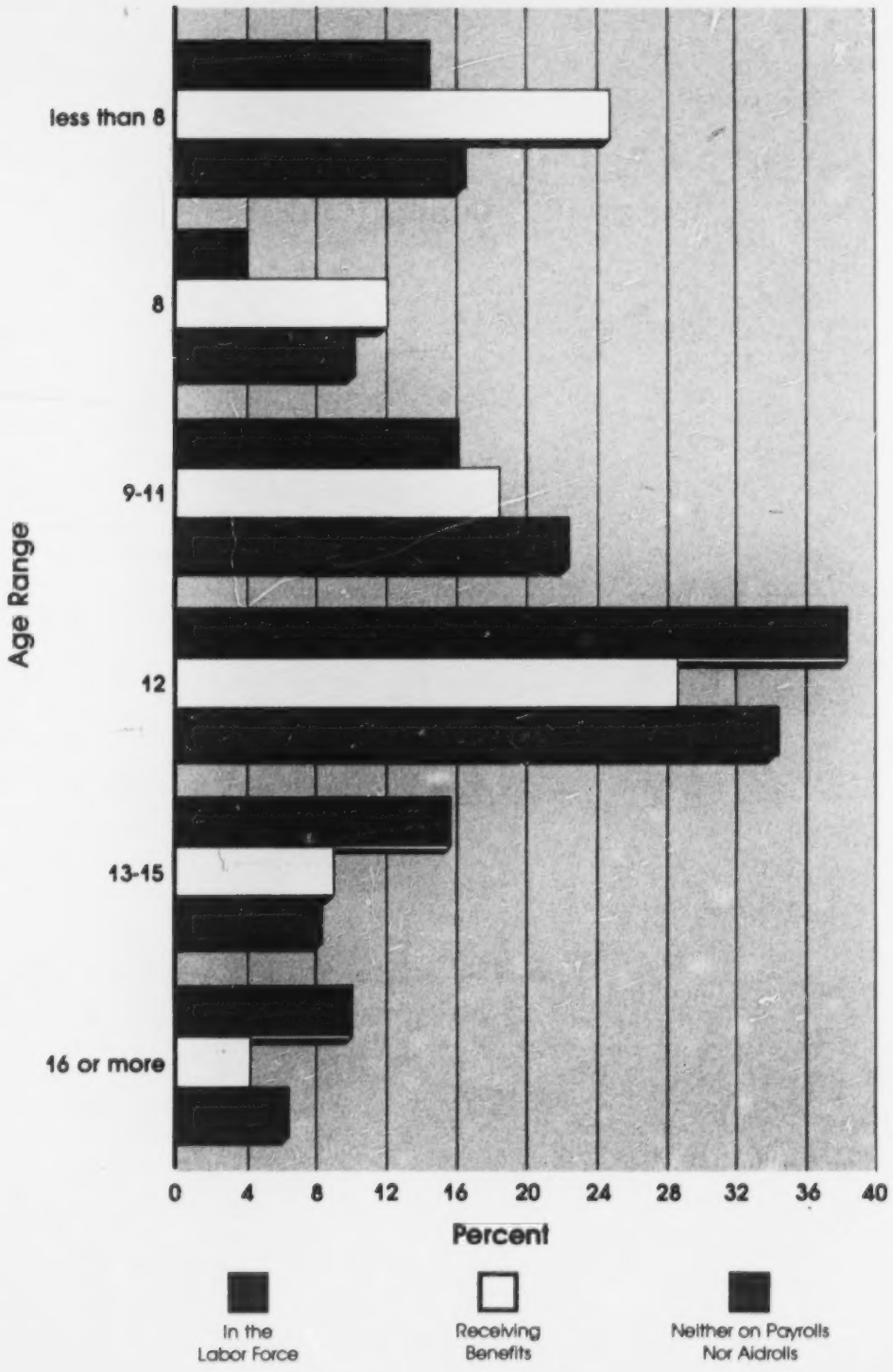
Figure 20
Age Distribution



Source: Current Population Survey, 1985

Figure 21

Education Attainment: Severely Disabled Adults Aged 25-64



Source: Current Population Survey, 1985

IV. Technical Notes

Economists looking at disability—particularly those called upon to examine Social Security Disability Income statistics—have suggested with increasing insistence that disability is, at least in part, a social phenomenon that is heavily influenced by prevailing economic conditions.

Some economists have gone so far as to say that people who have difficulty locating work call themselves "disabled", as it may be more socially acceptable to be disabled than to be unemployed. In particular, older individuals who are retired early by their employers may claim that the reason for leaving the job was not that the company no longer needed or wanted them, but rather that they had become disabled.

As this perspective gains, if for no other reason than by constant repetition at conferences attended by economists, it becomes increasingly important to examine closely the relationship between self-reports of disability and prevailing economic conditions.

The annual CPS appears to be an excellent vehicle with which to study this issue. Because it is done each year, we can look at recession years as well as expansion years; because it asks about severe disability as well as non-severe conditions, we can look at the relationship between severity of disability and economic trends; and because it is very highly accurate, we can be confident of the validity and reliability of these nationwide data.

As often is the case with complex matters, the answer is not a clear-cut one.

The US Bureau of the Census supplied me, on request, with data from all five CPS March supplements done to date—the 1981, 1982, 1983, 1984, and 1985 studies.

Remember that persons contacted by the Census Bureau were asked if they had a health condition or disability that limited the amount or kind of work they could do, or prevented them from working. In addition, the CPS asked questions about program participation, including government programs which require substantiation of permanent and severe disabilities.

In addition, respondents were classified as "severely disabled" if one or more of the following were true: their "main activity" during the survey week was "chronically ill or disabled", they did not work at all in the previous year because of illness or disability; they were under 65 and covered by Medicare; or they were under 65 and received Supplemental Security Income.

Understanding what happened also requires recognition that the 1981-1982 period was recessionary. Employment is a "lagging indicator", that is, employers usually cut costs in many other areas before beginning to trim the workforce, and, even after a recession is officially over, employers typically do not immediately increase hiring, prefering to ask current workers to put in overtime and to hire only part-time individuals until the company's bottom line is sufficiently recovered for regular hiring to resume. This suggests that people who lost jobs because of the recession probably lost them in the latter half of 1982 and began getting new jobs (or returning to old ones) in the early or middle months of 1983. In addition, understanding the data is enhanced when one realizes that large employers in particular sometimes respond to adverse economic conditions by "early retiring" older workers. That is, they will offer incentives to workers in their late 50's and early 60's to take early retirement.

It is much easier for a respondent to claim disability than it is to qualify for classification as "severely disabled". Even persons with long-standing, profound disabilities find it difficult to become eligible for SSDI or SSI; qualifying for Medicare and Medicaid is also difficult for under-65 persons.

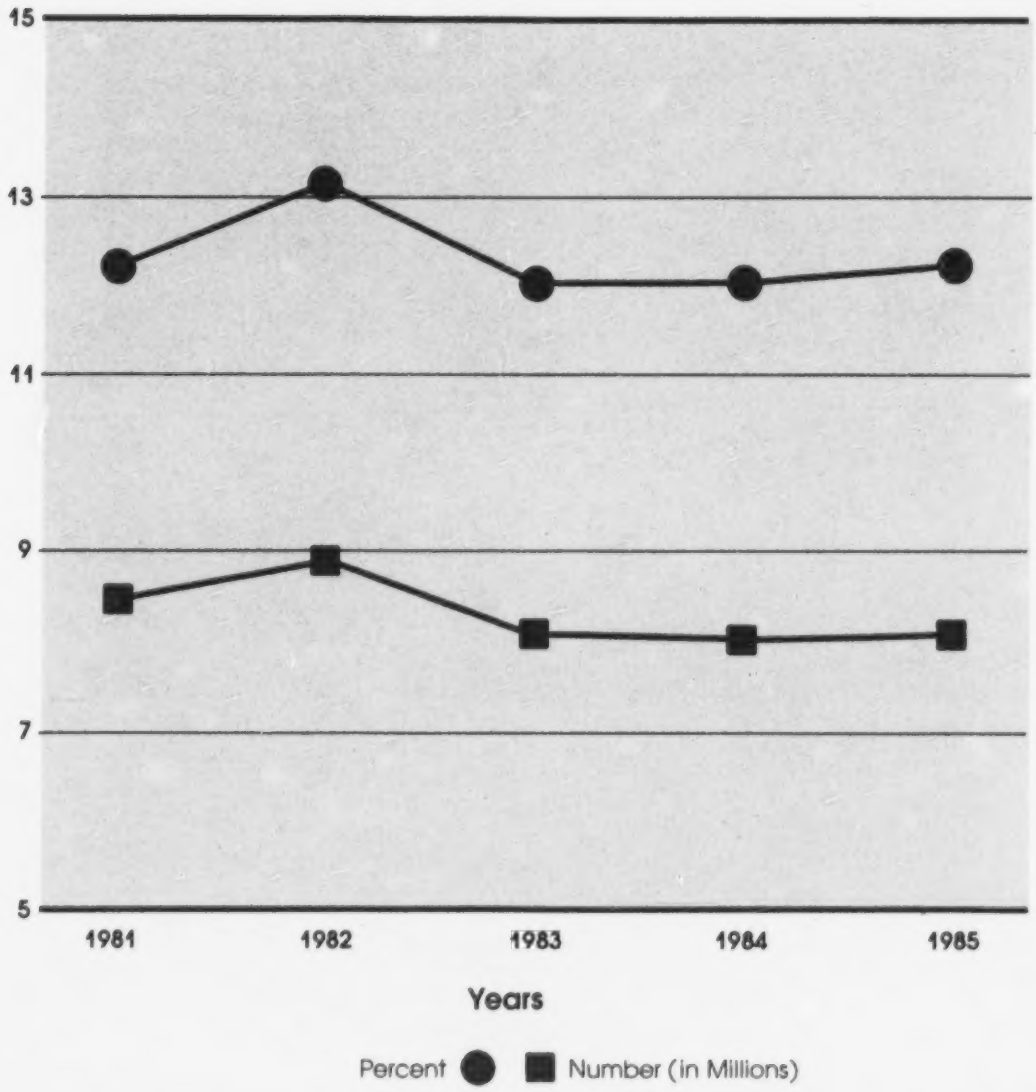
Now, let us look at what happened with the self-report and CPS classifications as "severely disabled" in the 1981-1985 period.

With respect to disability, we see that a "blip" occurred in 1982, when the rate of disability increased to 8.9% among all 16-64 year-olds who were not in institutions. The preceding year, 1981, the rate was 8.4%; the following year, 1983, it was 8.1%. In 1984, it was 8.0% and in 1985 it was 8.1%.

The first thing to observe is how consistent the disability rate is in the working-age population over the five-year period. Year in and year out, about one adult American in twelve provides a self-report to the CPS census takers about being disabled. The blip represents a small 5% increase in the number of persons claiming to be disabled in 1982 over the number in 1981.

Recall that the disability supplements are conducted in March of each year. Accordingly, the blip occurs in March, 1982, when indeed some individuals were losing their jobs due to the recession. Employment, as a lagging indicator, drops after the recession has spent much of its force, but does not rise again until well after the recession has officially ended. It is therefore counter to the theory of some economists that the rate of self-reported disability drops sharply in March, 1983, when many laid-off and discharged employees still had not found jobs. And the drop takes the disability rate **below** the pre-recession figure. Yet employment gains did not gather momentum until late 1983.

Figure 22
Disability Reports: 1981-1985



Source: Current Population Survey, 1985

On the other hand, the first half of 1984 was a dramatic one for gains in employment: from its usual rate of two million new jobs annually, the economy jumped to an annual rate of four million new jobs. In March 1984 the rate of self-reported disability dipped slightly, from 8.1% to 8.0%.

The evidence, thus far, is that there is a relationship between self-reported disability and prevailing economic conditions, but it is a weak one. At most, a few thousand persons in a labor force of more than 100 million people claim disability due to employment difficulties. It should also be recalled that some of the year-to-year fluctuations are due to sampling error.

Further evidence of the weakness of the connection is found when we look at severely disabled individuals.

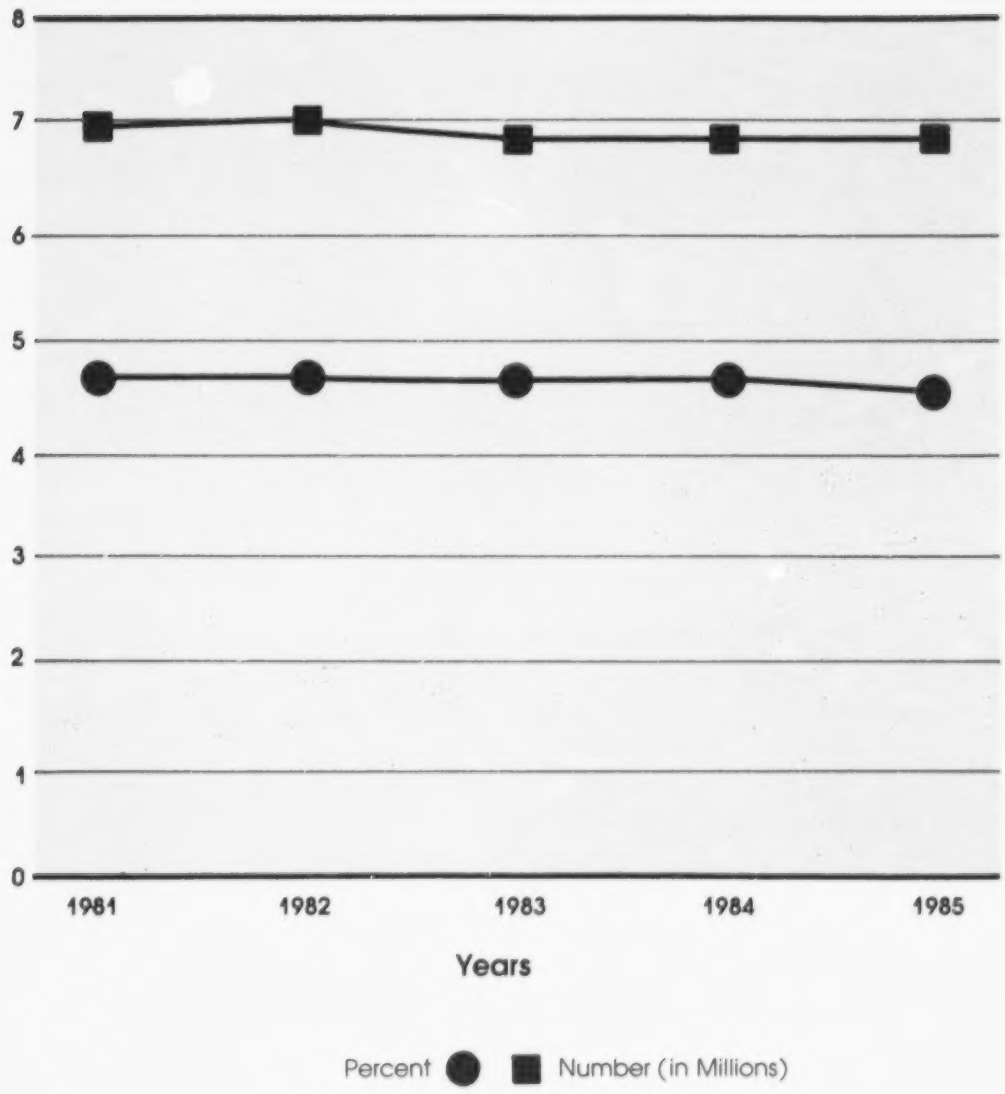
As shown in Figure 23, no blip occurs in 1982. We do, however, see a slight downturn in 1983-1984 and another very slight downturn in 1985. We are dealing with a few tens of thousands of persons, one way or the other. Some of this is within the margin of error of a survey such as the CPS.

All of this helps us understand, too, why in March 1985 the Census Bureau reported that the number of disabled Americans was 12,289,000 up from 12,247,000 in 1981 but down from 13,102,000 in 1982. Part of the difference is due to sampling error. And part, but a fairly small part, is probably traceable to the efforts of some individuals to "explain away" their difficulties in the labor market.

And these charts reveal something else, too. While the population of people with disabilities is growing annually, the size of the working-age population of disabled persons is fairly stable. The reason for this is that each year, sizeable numbers of persons "graduate" from the 16-64 cohort to become senior citizens; about one-third of these people are disabled. At the same time, only one in every thirty individuals "entering" the cohort from the under-16 population is disabled. The working-age group remains about equal in size because as people age within the 16-64 age range, they become disabled at higher and higher rates. The real growth in the number of people with disabilities comes in the upper age ranges, as people live longer; while about 30% of persons aged 65-74 are disabled, the proportion among individuals 75 and older is very high, we do not yet know how high. At any rate, the fact that people continually age out of the working-age population is largely responsible for that group's relatively constant size.

And because people over 65 constitute our nation's fastest growing segment, the need for rehabilitation among older people, helping them to live independently in the community and to work, at least part time, is exploding. It may well be the next frontier for rehabilitation.

Figure 23
Severe Disability: 1981-1985



Source: Current Population Survey, 1985

ADDITIONAL COPIES

Disabled in 1985:
A Portrait of American Adults

1309-32 ..... $ 6.00

Other books by Frank Bowe

1219-32	Demography and Disability: A Chartbook for Rehabilitation	$ 6.00
1224-32	The Business-Rehabilitation Partnership	6.00
1231-32	Employment Trends: 1984 and Beyond—Where the Jobs Will Be	6.00
1250-32	U.S. Census and Disabled Adults	7.50

Arkansas Research and Training Center
in Vocational Rehabilitation

Publications Department
Post Office Box 1358
Hot Springs, Arkansas 71902